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Is the Bankrupt Banker Walsh a Type of All Bankers?

IT is interesting to learn from Secretary Shaw that John R. Walsh, the bankrupt banker of Chicago, "did no more than other bankers in the United States are doing all the time."

Walsh, it has been shown, violated all the vital clauses of the national banking law. He lent money to himself to an extent prohibited by law. He juggled securities. He made false reports to bank examiners. He utilized dummies in his bank to sign notes for hundreds of thousands of dollars when they could not have paid a hundred. And yet the Secretary of the Treasury says that he did nothing other than many bankers in the United States are doing.

If that is the case, the Secretary of the Treasury is derelict in his duty. It is the business of the Comptroller of the Currency, who is his subordinate, to see that national bankers observe the law. Our own opinion is that most of them do. If they do not, as Secretary Shaw says, it is the business of the Treasury Department to discipline them.

The country does not want to be honeycombed with dishonest and criminal bankers of the type of John R. Walsh of Chicago.

Depraved Finance

BY
ROBERT FLEMING

The people of a Nation are poor, when their country is barren of resources, for then, they have only poor means for their existence. But the mass of the people are equally poor, when their country has large resources of wealth, which a few have corraled for themselves, by charging bogus capital as real money.

Whoever is silent upon public chicanery; or upon the defects of government, by which combination, the people are being impoverished, is morally asleep, or a coward; and whoever does not look proudly, upon these two poles of human life, is fit only for serfdom.

The proper object of government used to be, to get twelve honest men into a jury box, in order to get a rogue into jail. In the United States, the object of government, is to get a rogue into wealth, and twelve honest men into poverty.

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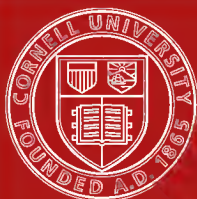
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INTRODUCTION.

THIS book is an endeavor to inform my countrymen, by frequent rehearsals of the facts, how nearly all of this country's vast and rich resources, so necessary to the existence and well-being of all, have been wrongfully appropriated by the few.

More than one million dollars have been paid to Wall Street lawyers to "hush up" the crimes perpetrated in the making of the Shipbuilding Trust, while the law authorities of the nation were winking.

A gang of financial, well-dressed thieves conceived a piece of financial plundering, with as much nefariousness and criminality as the most atrocious of frauds. They used the Shipbuilding Trust for their purposes. For the good of the public, the gang fell out by the way over the sharing of the plunder. One eminent member of the gang wanted to dispose of his share of the spoils to the unwary before the others, and thereby he upset the pillagers' harmony. To this, and not to the alertness of the legal authorities, we are indebted for the public exposure.

Were our religious life healthy, were our press wholesome, were there an active moral force, the members of these gangs would be imprisoned, and their spoils would be disgorged. The extortion of Sam Parks of \$200 from the Hoboken contractor, by calling off the workmen and stopping the job, was a nefarious piece of business, and a set-back to the clock of labor for years. But the appropriation of the entrails of the different industries and other resources of the country by which the nation exists,

by gambling appliances, is no less nefarious than the doings of Sam Parks, and is vastly more damaging to trade and more injurious to the people. Canfield's gambling den was a degrading nuisance and a public disgrace, as well as a crime, but both are more defensible than the nefarious methods used to cripple our industries and prevent them from rendering good service to the people. It is difficult to discover why, under the same laws, Parks and Canfield are in jail, and the doers of worse deeds should be floundering with numerous flunkies in palatial houses, often with racing studs and steam yachts, paid for by the proceeds.

Every piece of plundering by which schemers obtain vast riches for nothing is so much wrong done to every member of society, and to the well-being of the nation, in which every American is concerned, whether he will or not. Every misappropriation of the country's riches is a disorganization of human forces, whereby not only the innocent and confiding are pillaged, but the workers and producers of the nation, are made poorer, and put under industrial enslavement, and the plunderers are made more depraved and degraded, although they are enriched.

When a country's resources are small, its people must struggle to live. When a country's resources are large, like Russia, and when nearly all have been grasped by the imperial family and the nobles, the people must be poor, and must struggle to live. When a country's resources are great and rich, like the United States, and nearly all have been grasped by a few, using bogus capital and charging it as real money, all Americans must face higher prices; and millions must face lower wages, in order to make up the difference; other millions must retrench and economize; other millions must suffer privation and want; and children and women must be called in to do the work of the men, because they are cheaper.

The Russian peasant, like the American, is bled at every footstep, but not by Trusts. He is punished in the vilest form by the officials of the Russian Government. When the officials purchase the supplies for the Government, they obtain three roubles of money with every rouble of purchase, and all must be included in the bill, although only one rouble's worth is delivered. This is as debasing to the officials as it is oppressive to the Russian peasants, who have to make it up. But it is not more vile or base than the charging of four dollars of bogus capital to every dollar of real capital, as is so often done in the United States to grasp the country's resources, and as was done in the making of the Steel Trust and the other Trusts. By this atrocious method the American, although living under a Democracy, is plundered more than the Russian peasant. For this same work Whittaker Wright was sentenced in England to seven years' penal servitude, because the law authorities there have not been purchased or demoralized.

The resources of a country are of vital importance to all the people. They are its wealth. The wealth of a country consists of its railroads, industries, mines, lands, buildings, farms, forests, fisheries, ships, etc. These are as necessary for existence and well-being as air to breathe. When a country's resources are charged with debts, or when they are put in pawn, the people must be deprived and harassed, in order to provide the yearly charges for the debt, like a man who owes money, and must provide the interest regularly, and always be confronted with his debt. When a man is in debt he is not free; he is more or less the slave of his debt. This is not so apparent, but it is equally true, that when a country is in debt the people of that country are not free, and all of them are more or less the slaves of the debt. Because of it the people are poorer; they must work more and receive less; they must

spend less and use less, because some of their money has to be paid regularly for the debt.

All the resources, or wealth, of the United States have been valued at \$90,000,000,000. In the year 1900, 71 cents of every one of all these dollars were in the possession of a few, and a very large portion was obtained, not by industry, or the honest trading of equivalents, whereby something was done for the good of society, but by scheming jugglers, who have charged bogus capital stock and mortgage bonds as real money upon the country's resources, and fixed them under perpetual debts, for thousands of millions of dollars, and scampered off with the proceeds.

This atrocious system, whereby thousands of millions of dollars have been alienated for nothing from the American people, was started when railroads were first constructed, when every nefarious method was allowed, and often participated in, by the Government. It was developed in the creation of the Standard Oil Company; it was amplified and perfected by Jay Gould; and now it is an established custom of the country, reveled in by lawyers, and the perpetrators are now called Captains of Industry when the volume of the plunder is enormous. It is seen in its most matured form in the charging of more than a thousand million dollars of bogus capital as real money, and putting nearly all the steel industry of the country under its control.

Capital must, to be real, possess the power of reproduction. Capital is necessarily and entirely saved labor, and when it is considered, this will be seen to be inevitable. Therefore, when men print pieces of paper and call them capital stock, they are no more capital than air bubbles, although they are charged as real money to the country's resources, and demand regular interest, like the worst of debts. In consequence of more than a thousand million

dollars of bogus capital, as well as excessive mortgage bonds taken by Andrew Carnegie and charged as actual money to the country steel industry, higher and prohibitive prices were charged for steel products and reduced wages were paid to the steel workers, in order to provide dividends for a bogus capital which never existed, and provide the interest for the excessive mortgage bonds which were issued, so that the makers of the bogus capital could create the bogus capital stock and sell it, and put the money into their own pockets.

In the year 1900 only 29 cents of every dollar of the country's wealth or resources remained for 91 in every 100 of the American people. Since the year 1900 the same means have been used to grasp most of the remaining 29 cents of every dollar. Since 1900 the capital stock and mortgage bonds of new and old stock companies, charged as real money to the resources of the country, amount to more than 20 cents of the 29 cents left for the 91 in every 100 of the population. Therefore, when the capital stock and mortgage bonds created since 1900 have been matured and made earners of dividends and interest by higher prices and lower wages, there will remain for every 90 in every 100 of the American population only 9 cents of every dollar of the country's wealth or resources, because all besides have been taken by the ten others, and mostly by the fictitious process of charging bogus capital as real money. This is the cause of the "desperate fight" in American cities, described by Bishop Sheehan, when he urges the Irish people to keep away from the United States.

All the evils of this atrocious and oppressive system can not be told upon printed pages. Whenever an individual worker, as well as the nation as a whole, depends for existence and well-being upon their country's resources, it is of the first importance that they shall not be

in debt, but it is of prime necessity that their country's resources shall not be in debt by a method so nefarious and detestable as creating bogus charges and charging them as actual money. For the future of the American people this changes everything from good unto evil. When prices are put up to provide dividends, the people must be deprived, and this is an evil for the trade of the nation. When the people's wages are reduced to provide dividends, the squeeze comes a second time, and the consumption of the country's products are restrained in doubled proportions. By this vile system another evil is created. The enrichment of an indolent, luxury-using class of non-producers is accomplished, and their proportion to the number of the producers of the nation becomes more and more inconvenient and pernicious. In 1900 the idlers and incompetents of the nation were 62 in every 100, even when we include in the number of workers 5,329,292 children and women workers. This number of idlers and incompetents in every 100 of the population is larger than any other country of the world. Were the children and women workers deducted, the idlers and incompetents of the nation would be 69 in every 100, and were the numbers who live in foreign countries, often supported like princes by the American producers, placed among the idle and incompetents, the proportion of the workers is reduced and becomes more distressing.

Many Americans imagine that luxury-users are an advantage to society, and that when a man "blows in" extravagantly for luxuries which never produce, he is a blessing. This is a delusion, and the contrary is the fact. He is a destroyer of wealth, and the amount must be made up somewhere by extra work and extra sacrifice. The recipients of the riotous spending are temporarily enriched, but there is no reproductive use, but a waste, and the waste must be made up by the others—by the earners

and producers of the nation. Whoever contributes nothing, directly or indirectly, to the production of wealth, is a consumer who does not produce, a mere waster of wealth.

This is the origin of the English word "*wastrel*," said to be formerly in common use by the outspoken people of the North of England. But it obtained a larger interpretation later. It is stated that once, in the law court of the Northern Circuit, in England, counsel for a prisoner was attacking a witness and called him a "*wastrel*." The judge, who was a Southerner, asked the true meaning of the word. After different renderings, one counsel said it also meant "a man who had been spoiled in the making." This very aptly explains what may be expected of the progeny of the idle and incompetents of the nation, especially as they are developed in time.

All consumption of unnecessary luxuries by the idle or industrious is non-productive, and interferes with the production of necessities, and, consequently, many of those who need the necessities obtain them with greater difficulty, and often must go without. No labor tends to the enrichment of society or mankind which is employed in producing things for the use of consumers who do not produce. A legitimate capitalist is a producer, because he is a factor in the production. But a bogus capital maker, who charges it as real money—and it is never made for other purposes—is the worst of all non-producing consumers, because he produces nothing; he consumes extravagantly and consumes with other people's money. Were a nation to consist of non-producing consumers, it would soon cease to exist. Were half the nation non-producing consumers, the other half would have to provide for them by carrying a burden, requiring extra work and extra sacrifice. Were the producers of a nation only 30 in every 100, and the non-producers 70 in

every 100, excepting the women and children, as in the United States, and were some of them extravagant consumers, the encumbering burden becomes oppressive for all who do not belong to the privileged class, and intolerable for many.

In the number of idlers and incompetents of the United States in every 100 of the population we have excluded all who are occupied for gain, although many are not directly producers. We have included in the number of producers actors, artists, clergymen, musicians, lawyers, barbers, nurses, saloon-keepers, bankers, brokers, soldiers, sailors, hostlers, messengers, sales-people, stenographers, telegraphers, shoeblacks, officials, and others.

The burden upon the American producer is enormous and incomparable. It is shown by the few workers in all our industries, which number only 9 in every 100 of the population. It is shown by the value of the products of each average industrial worker in the United States, which, according to the Census of 1900, was \$2,450, while that of the average industrial worker of England was only \$500. It is shown in his labor-saving appliances, in his high speed, as well as in the quantity and value of his output, and yet the bogus capital and other bogus charges of Trusts are treating him more and more as a human machine, and displacing him, whenever they can, by children and women, and by inferior alien races, dumped upon this country with a vicious impunity.

Until all this bogus capital and other such charges upon the resources of this country are remedied and undone, it will be an inferior country for all who are not rich, and an intolerable country for all who work and are poor.

The enormous debts upon the country's resources created by juggling bogus charges into the real, is not only debilitating and oppressive, but the means used to create them have degraded government, have demoralized poli-

tics, have corrupted the youth and the private life of the nation, as well as given us a trade which is good for a few years of each decade.

The more the Trust-makers can reduce the workers to a state of privation and want, the more they can grind the people down by higher prices and lower wages, the cheaper can their votes be got. The Trust-maker cares not for manhood or womanhood. The more the labor-saving appliances can be perfected, the more useful will be the inferior races which are being landed in this country. The more ignorant and gullible they are, the more available will they be for corruption at election time. Whenever a man or woman, a boy or girl, is degenerated in body or brain, in home life or ideals, by being made a human machine to produce dividends for bogus capital for private enrichment, they necessarily become inferior fathers and mothers, as well as inferior American citizens, and their progeny must be inferior Americans.

Even were the American people willing for their country's wealth and resources to remain under the control of bogus capital, charged as real money, for the benefit of the few and the punishment and privation of the many, it would be an injustice and a crime to the Americans unborn, that they and their descendants forever must exist with shackles around their necks, slaving to support an increasing bogus capital aristocracy.

The vast and rich resources of the great Republic have, in large measure, been alienated from the people, not by giving equivalents in honest trading, but by diabolical pillaging, by means of financial juggling of capital stock and mortgage bonds into money, when they were merely charges, creations of the brain, dependent for realization by squeezing the people by new prices; and governmental authority has been winking, or actively co-operating; and

unless a remedy is applied without delay, the pawning of all the country's resources will be completed.

It is a deplorable fact that the resources of every past and present Democracy are looked upon by the cunning and avaricious, as spoils which can be secretly appropriated. Those in power obtain power, not for the betterment of the people, but for themselves. Every Democracy appears deficient of vested immutable responsibility. Men are vested with a sacred trust, and they abuse it by weakness or infidelity. This is illustrated by the signing of the Elkins Law by President Roosevelt, who must have been mentally or morally irresponsible, because that law was intended, and could only be intended, to serve the guilty, at the expense and suffering of the innocent and honest. It is illustrated by the open defiance of law by the wealthy citizens, without restraint, and by the fact that more than the value of this country's exports of manufactures for two years was charged to the country's steel industry, as fictitious capital, and the money appropriated with impunity.

Nothing will effectually deter the pillagers of the country's resources by capital stock and mortgage bonds charged as real money, except the unconditional extinction of all of them, whenever made, by a special law, which will also make the creation of more of them a criminal offence.

The absence of vested immutable authority in a Democracy was seen in George Washington's time. On the 28th of November, 1775, George Washington wrote from Boston:

"Such a dearth of public spirit, or such a want of virtue, such stock-jobbing, and fertility in all the low arts, to obtain advantages of one kind or another, I never saw before, and pray God's mercy, I may never be witness to again." On the 30th of December, 1778, he wrote from

Philadelphia : "Speculation, peculation, and an insatiable thirst for riches seem to have got the better of every other consideration and almost of every other order of men."

The foregoing is sufficient proof that for the good of the spoilers, as well as the well-being of the people, the enforcement of law cannot be too rigorous, and ought to be mandatory, and that when the laws are indifferently applied, the moral force of the people becomes degraded, and then, the public pillagers not only debase themselves, but impoverish and grind the people.

In the year 1875, Ismail Pacha of Egypt, was a spendthrift. He was in need of money, and he held 200,000 shares of the Suez Canal Co. The British premier at the time was Lord Beaconsfield, and he diagnosed the situation, not for himself, as an American would have done, but for the good of his country and his countrymen. He negotiated the purchase of these shares with the Rothschilds, and these bankers supplied the money for a five per cent commission, and then Lord Beaconsfield transferred all the shares to the British Treasury. These Suez Canal shares, obtained without the knowledge or consent of Parliament, now pay about \$130,000,000 every year to British revenue, whereby the taxes of all kinds are made lighter and easier to bear. The money paid for the shares was less than \$25,000,000. Lord Beaconsfield died a comparatively poor man. He left \$200,000. He was a Jew, envired by honorable doings, and he acted with fidelity to his countrymen.

Comparisons are sometimes odious, but sometimes they usefully show the direction of the stream. The ordinary American would have corraled these 200,000 Suez Canal shares for himself, like the records of the Vanderbilt, Jay Gould, Carnegie and other innumerable wrongdoers, when patriotism and solicitude for the future of the species were submerged in the gratifications of avarice. Whoever is

conversant with all past and present republics, will unhesitatingly declare that no government of any republic would have done for it such an act as was done with these shares by this Jew under a monarchy. The deplorable instability and headlessness of a republic are taken advantage of by the cunning and greed of one portion of mankind, to despoil and enslave the others. It has always been so, and it is conspicuously so now. It may be urged that a monarchy is too costly. The facts prove the contrary. We will provide only one of innumerable examples. Andrew Carnegie has rifled the pockets of the American people to such an extent, that were it done under the monarchies of Germany or England, there would be a public commission of inquiry, and he would be called upon to disgorge more than ten million dollars a year, obtained by being truckled to by the makers of the Steel Trust, who were careless of every cost if they could only give birth to their thousand million dollars of bogus capital, charged as real money to the steel industry of this country. For these ten million dollars a year Andrew Carnegie delivered no pretence of an equivalent. For his interest in the Carnegie steel plants he made a contract whereby he obtains forever nearly sixteen million dollars a year, and the equivalent given was worth only three million dollars a year, and by this wrongful operation, Andrew Carnegie receives more every year than the cost of any known emperor, and more than three times the amount of the yearly payments to the King of England and all the royal family. In the seventeenth century, in the fight for freedom in England, the English people beheaded King Charles because he imposed taxes without the approval of the people's Parliament. Andrew Carnegie and others have imposed taxes upon the American people which take about fifty cents from the dollar. No person can obtain steel products without paying a tax of

about fifty cents on the dollar, and the same, more or less, with all the other products of the country, in order that a bogus-capital aristocracy can be maintained and supported in princely fashion.

The situation in the United States is one which every righteous and reflecting man and woman will view with horror. In Washington's time there was not sufficient enforcement of law, and this condition has been continued until to-day. In consequence, the wealth and resources of the country have been grasped by a few, by means of charging the fictitious as the real.

It is true that most of the farming land of the country has been left for the farmers, but with such conditions that every farm of the average size of 146 acres, obtained, for all its farm products, less than \$13 per week for the year 1900, and the average farm hand obtained less than \$65, for the year, for his wages, or less than 43 cents per acre, although he produces farm crops four times as much as the average farm hand of Europe. This is because the farmer and the farm hand have been enslaved by pillaging jugglery, and the law authorities of the government have stood by and winked. When the farmer transports his farm products, he is confronted with charges for dividends for bogus capital, and in consequence his farm products often rot upon his farm, while the people in cities are starving for them. When the farmer buys clothing and other necessities of life, he obtains about fifty cents' worth for a dollar, because the other cents are necessary to support and maintain a bogus-capital aristocracy, which neither toils nor spins, but consumes and wastes enormously. Because of nearly everything in the country being charged with bogus capital as real money, and in order to provide it with dividends, the farmer has so little for himself, and so little for the average farm hand; and when the average farm hand spends his \$64 per year

he obtains about \$32 worth, so that he also can contribute largely to the support of the bogus-capital aristocracy.

The industrial enslavement of the producers of the nation does not end with its application to the farmers and the farm hands. The industrial worker of the United States is the foremost of all countries in the quantity and value of his and her industrial production. The United States Census of 1900 states that he produced five times the value of industrial products of the industrial producer of England, and yet the average wages paid to the 5,316,000 men, women and children workers in our industries in 1900 were only, per week, \$9.44 to the men, \$5.25 to the women, and \$2.92 to the children. But this is not all. Without detailing here the disastrous effects to the industries of the country, by these under-paid people being made small consumers of the country's industrial products, the fact remains that when the man wage-earner receives \$9.44, he obtains only about \$4.72 worth of the necessities of life; when the woman worker receives only \$5.25, she obtains only \$2.63 worth of the necessities of life, and when the children receive \$2.92, they obtain only about \$1.46 worth of the necessities of life. In other words, these workers, who work so long and so fast and produce so much more than in all other countries, must, when they spend their wages, pay about fifty cents of every dollar in order to maintain and support a bogus-capital aristocracy, the largest and the most extravagant in past or present history.

The Bible is distinguished for the lore and the travail of the Children of Israel. They were in sad bondage in Egypt. There is such a book of bondage in the United States. It is the United States Census of 1900, when read between the lines. The facts are more excruciating than any of the bondage experiences of the Israelites in

Egypt. Gaunt figures and haggard faces; under-fed and ill-clothed; grinding for long hours at high speed for a miserable existence, in order to provide for a bogus-capital aristocracy. Because the body of the serf and slave were worth something, and were a marketable article, they were better treated, they were better fed, and they were less harassed about their to-day and the uncertainties of their to-morrow, than the average wage earner.

By the few of this country having grasped about ninety cents of every dollar of this country's wealth and resources, by means, mostly, of bogus capital, charged as real money, which will be completed when the recent creations of bogus capital have matured, every ninety in every hundred of the population are left without industrial freedom, and exist in a state of increasing industrial enslavement, for themselves and their descendants for ever, unless a mandate to Congress is made in the ballot box, to undo the crime.

HOW BOGUS CAPITAL HAS BEEN CHARGED AS REAL MONEY UPON THE RESOURCES OF THE NATION.

While the American is being bluffed into talks of world power; of a large standing army; and the suitability of gold lace for the White House, he imagines that the industries, railroads, and other resources of the country, are for the American people; whereas, they are largely for dividends for a bogus capital, which never existed. While the American is so amiably believing, and selling his vote, he is being cajoled out of his share in the country's wealth, and his portion is becoming more and more like that of the serf, in the serf estate. Already, about 90 cents of every dollar of the country's resources or wealth have been taken by a few—by using bogus capital and charging it as real money.

PROBABLY few Americans know that the ordinary pawnshop is an establishment where articles of value can be pledged, that is, they can be deposited in exchange for money, which the pawnbroker lends upon the pledges; and that until the pledge is redeemed by the repayment of the money borrowed, with interest, it remains in pawn. The pawnbroker will retain the pledge indefinitely, if the interest is regularly paid, from time to time, as it becomes due. When a pawnbroker receives a pledge he gives a pawn-ticket, which can be transferred or bought or sold. Few Americans know how their country's resources, which are its wealth, by which all are able to eat, drink, clothe, house, travel and enjoy, are every year being put under the control of a great pawnbroking system for thousands of millions of dollars, and that the pawn-tickets used are in the shape of mortgage bonds and capital stock certificates.

When money is borrowed upon real estate by or for its owner, it is practically put in pawn, and the persons who do the work of the pawnbroker receive a mortgage deed upon the property, and are entitled to regular interest upon the money lent until it is repaid. When a house or other real estate is mortgaged, it is mortgaged for or on behalf of its owner, and the money is paid to or for the owner, or a criminal offence is committed. But not so with the country's resources, and it is here where the illegitimate jugglery comes in. When a stock-juggler pledges the country's resources, as in the instances of the Steel, of the Ocean Marine, the Shipbuilding, and other Trusts, the persons who did the pledging were not the owners, and never pretended to be the owners, and yet they so juggled that they were able to take for themselves many hundred million dollars for nothing, and have charged even more than they have taken, as perpetual debts upon the resources of this country, whereby they are weighted with more monetary liabilities than they can carry and at the same time do good and efficient and economical work for the nation.

The beginning of a stock-juggling programme resembles a cowboy with cattle. The object is to get the resources of the country into a corral, and then to brand them with a Trust name, and first pawn them for more than cost or value, by pawn-tickets in the shape of mortgage bonds, and sell these on the Stock Exchange and use the money to pay for the properties; and then pawn the property again by using pawn-tickets in the shape of capital stock certificates, and sell these also on the Stock Exchange for the purposes of the stock-jugglers themselves. The amount of the second pledging is without regard to values or costs; besides, the mortgage bonds alone usually amount to more than cost or value of the properties. In the Shipbuilding Trust one property which

stood in its own books as originally costing \$300,000 was mortgaged by mortgage bonds for \$10,000,000, besides \$20,000,000 of capital stock. The amount of the second pledging depends largely upon the amount which can be squeezed out of the consumers by higher prices and out of the wage-earners by lower wages. Every million dollars a year which can be squeezed in this manner will provide dividends at the rate of 4 per cent. per year upon \$25,000,000 of bogus capital stock, which can be sold on the Stock Exchange like cotton upon the Produce Exchange.

This has been proceeding for years upon a stupendous scale, while lawyers, politicians, legislators, and others have been in the swim, until thousands of millions of dollars' worth of the country's resources have been pawned. By this *stock-juggling* process men have acquired thousands of millions of dollars for themselves. This is more than immoral. When an article is in pawn the regular charges for interest must be paid, but when the man makes the pledge and obtains the money he has some means provided of paying the interest, and then the transaction is legitimate. The method is entirely different with the resources of the country, for when the jugglery is performed the resources do not get the money, but they are liable for the interest and for the debt, which is perpetual, like the interest. In other words, a set of stock-jugglers have pledged the resources of the country for thousands of millions of dollars and taken the money for themselves, and left the American people to struggle with the debt and provide it with regular interest by higher prices and often by lower wages. In this manner the country's resources, upon which the nation depends for its existence, have been pledged, and the money has been taken by stock-jugglers, and thereby the resources have been made responsible for enormous debts, together with

their yearly charges, which drain the people by higher prices and often by lower wages. In consequence, the trade of the country, as well as the country's exports of manufactures, are dwarfed, made less stable and unsatisfactory for all who are not trade boomers and stock-jugglers, and these are rarely, if ever, the producers of the nation, but schemers who do nothing for the enrichment and well-being of society, and seldom do anything for the improvement of their species, but usually the opposite.

All the vast and rich resources of this country, with its superior means of production, better than in all other countries, are for all the people, but by wrongful stock-juggling they have been taken possession of by a few. It is claimed that this country has the best of labor and of labor-saving appliances and other machinery, whereby the most can be obtained for the least, of all countries. The farm hands of the United States produce per average farm hand four times the farm products of the average farm hand of Europe, and according to the census of that year his wages were only \$64 for the year, or 43 cents per acre. The average farmer of the United States has 146 acres, and the average products of each farm, including everything, was only \$656 for 1900. The average wage-earner of the 5,316,000 employed in our industries was only \$9.44 per week paid to the men in 1900. These and other such facts show that the embarrassments of the present industrial situation, are not due to payments made to the mass of the people. The work-people of this country, in the different industries, work faster and longer, and nearly all the industries employ women and children, for hours which would be criminal in England, and for incredibly low wages, especially in view of high prices.

Under these conditions this country ought to deliver to its people more of food, clothing and good housing for a

dollar than all other countries, and would do so but for the protection given to the making of higher prices and the license given to stock-jugglers to charge its industries, railroads, and other resources with thousands of millions of dollars of spurious capital stock and mortgage bonds as real money, whereby they have to be provided with dividends and interest yearly by higher prices and lower wages, and whereby schemers acquire vast millions for nothing.

All this is done by a pawnbroking system combined with stock jugglery. When an industry is pledged by the creation of mortgage bonds and capital stock for millions of dollars it is a pawn, and according to the United States Census of 1900, 60 cents of every dollar of all the manufactured products of this country in 1900 were produced by establishments of industry which were in pawn by mortgage bonds and capital stock, and a very large portion of these were bogus or unreal, although they were charged as real money, and they demand yearly interest and dividends, like real money. In order to provide these unreal or bogus pawn-tickets with interest and dividends real money has to be paid, and this is squeezed out of the people by higher prices and lower wages.

When the mortgage bonds and capital stock, amounting to about fifteen hundred million dollars, were created and issued upon the plants of the Steel Trust, the plants were pledged and put in pawn for this amount, and the pawn-tickets, in the shape of mortgage bonds, were used to pay for the properties, and the pawn-tickets, in the shape of capital stock certificates, were sold on the Stock Exchange for the pockets of the men who made the Steel Trust. By the pledging and pawning, for private purposes, and not for the good of the steel industry, the pawn-tickets have to be provided with interest and dividends every three months, and to do this doubled prices

for steel products have been charged and reduced wages have been paid, although the more than a thousand million dollars of capital stock was no more real than dreamland and cost only the paper and printing. The men who made the Steel Trust did not own the properties, they never had actual possession, and the money they used was not their own, but they were the financial jugglers.

This is an illustration how the American people's resources are juggled into enormous debts, and how the American people have to provide the debts with their yearly charges by paying higher prices and by lower wages.

The pledging and pawning of the country's resources commenced in the sixth decade of the last century by loading the different railroads with bogus mortgage bonds and capital stock and charging them as real money. The amount of the different pledgings and pawnings since then amount to about from forty-five to fifty thousand million dollars, and it is within the mark to state that more than thirty thousand million dollars were bogus and unreal when they were created, although they were charged as real money to the different resources of this country. This oppressive system by which the proceeds of this thirty thousand million dollars have been wrongfully acquired by the jugglers, at the expense and degradation of the people, has been increasing at a compound rate, and the pledgings and pawnings of recent years are almost incredible. As examples of the pledgings of the country's resources, there were creations of new capital stock certificates by new stock companies, amounting to \$4,207,000,000 in 1899; to \$2,589,000,000 in 1900; to \$4,333,000,000 in 1901; to \$3,755,000,000 in 1902; and to \$2,432,000,000 in 1903. These sums do not include amounts for any mortgage bonds, often, if not always, for more than the actual value or real cost, or costs to replace the respective

properties. Nor do these sums include amounts of capital stock creations by old corporations in these five years, which amounted to over \$1,176,000,000 in the year 1902. Neither do these sums include any amounts for either mortgage bonds or capital stock creations for railroads, which have been very large always, and were very large during these five years. When we consider these enormous capital stock creations, created without legal or other restraint, we must not forget that most are only supplemental charges to mortgage bonds existing upon the respective industrial properties, often for considerably more than the cost or actual value. In other words, that most of the respective properties were first burdened with debts for mortgage bonds in excess of value or actual cost, and then they were reburdened by large amounts of fictitious or bogus capital stock.

It is difficult to declare with certainty the proportion of these amounts which represent actual value or actual costs, or costs to replace or reproduce. It would be fair and conservative to estimate that 80 cents of every dollar of these enormous amounts of capital stock, charged as actual money, are actually spurious, mere creations of the promoter's brain, as just and legitimate as a capital stock creation for the moon.

All these vast creations of bogus capital are only of atmospheric value, except by dividends, which can be secured out of the people by higher prices for the products, or by grinding the people for lower wages. These creations would be bad enough were they only made to boom off on the Stock Exchange, but when we see that the whole has been charged as debts upon the industries and other resources upon which the people must depend for a livelihood, and that in order to pay the yearly charges the products must be charged with higher and prohibitive

prices, and often wages squeezed lower, how can the American people be otherwise than in a state of unrest?

Some of the capital stock creations included in these amounts are bogus from beginning to end. To wipe out all of some of the capital stock creations would not adjust their finances, because the mortgage bonds alone are greatly in excess of actual value or real cost. Many of the stock companies, such as the United States Steel Corporation and the United States Mercantile Marine, and others, would not be financially adjusted were all the capital stock extinguished. They are loaded with created charges for mortgage bonds in excess of genuine costs, or costs to replace, besides the perpetual liabilities created by the bogus capital stock. Therefore, these and other such corporations were in debt for large amounts for liabilities over actual assets before the fictitious capital stock was created. For example, it is incontestable after fair examination that the properties of the United States Steel Corporation, including the iron ore lands obtained and paid for out of the earnings since the Trust was created and the coal lands obtained upon royalties, ought not to be charged to capital account for more than \$250,000,000, including all the fees for the Trust-making. The census of the different decades shows the capital invested in the different industries, as well as the different amounts of their products. In 1870 the capital charged in all the different steel industries of the country to produce a dollar's worth of steel products was 58 cents. But the means then known of producing steel products were more costly and required about double the capital and labor to produce a dollar's worth of steel products than with the improved machinery and labor-saving appliances of 1902, and yet the capital charged by the Steel Trust in that year to produce a dollar's worth of steel products, after it had doubled prices and gave only half the quantity of steel for a dollar, was

\$2.67, whereas it ought to have been 29 cents. This shows completely, how the present high prices for everything are made necessary, and how lower wages are necessary, and how the industries of the country are debilitated and prevented from giving more than 50 cents' worth for a dollar, how the export trade in manufactures is crippled, and how a disorganized state of trade and commerce is most natural. The difference between 29 cents for real or actual capital, as it ought to be, and the \$2.67 as it has been charged by the creation of bogus mortgage bonds and capital stock, has been taken by the stock-jugglers, and the people have to pay yearly charges upon \$2.67 instead of 29 cents for all the bogus and fictitious capital in the Steel Trust, by higher prices and lower wages.

That the amount of mortgage bonds and capital stock created in the aforementioned years are as quixotic as they are nefarious is demonstrated by the amounts invested for actual capital in all the United States industries for land, buildings and machinery in 1900. According to the United States Census Report of that year, the capital invested in all the United States industries in land was \$1,027,453,140; in buildings, \$1,450,495,991; in machinery, \$2,543,080,244, making a total of \$5,021,029,375. The total amount is less than the capital stock creations for industries in a single year, independent of creations of mortgage bonds. Of this sum of \$5,021,029,375, 60 per cent. was already incorporated into stock companies before the year 1900. This is stated by the United States Census Report of that year. Therefore, there was only 40 per cent. of the industries of this country to be incorporated, or about \$2,000,000,000; whereas the incorporation of stock companies in the years 1900, 1901, 1902, and 1903 averaged \$4,000,000,000, besides mortgage bonds, and an important portion remains unincorporated. This evidence is sufficient to show that bogus capital stock

creations, charged as real money, for which dividends are demanded, have been allowed to run riot, in violation of all law and order, and without regard to the serious consequences to the future of the nation. The stock-juggling Trust-makers have been allowed to bluff vast millions of money out of the pockets of the American people into their own by placing different imposts or taxes upon the different products of the country, in order to provide dividends and interest for their bogus creations of pawn-tickets. In consequence, many important industries are so disabled by debts which must have their regular payments that their prices have crippled the consumption at home and prohibited trade for export.

We see the evil consequences in the high prices for steel products by consumption being reduced both at home and in foreign countries. The Steel Trust was created in 1901, and the exports of steel products were considerably less in 1901 than in 1900, and less in 1902 than in 1901. In 1900 the exports of steel products to Great Britain were \$9,790,675; in 1901 they were \$1,675,000, and in 1902 they were only \$187,335. This is a portentous comment upon the Steel Trust with all its bogus capital requiring dividends by higher prices. By reducing wages and discharging its work-people it has reduced the power of these workers to consume the country's products, upon which the factories so largely depend for consumption. On the other hand, vast millions of dollars have wrongfully gone into the hands of non-producers, who spend so largely for luxuries in foreign countries.

The foreign enterprise, financial and commercial, of Great Britain is considerably larger than that of this country, and its large geographical area, including its dependencies and population of about four hundred million people, gives large scope for financial undertakings. Great Britain finances foreign governments and countries more

than the United States. But the new capitalizations of Great Britain, that is, the creations of new stock companies, in the five years from 1897 to 1902, were less than \$910,000,000, or smaller than the imaginary or bogus capital of the Steel Trust. The explanation of this is simple. In New York and other cities men can plot schemes whereby they can control vast amounts of money with the open audacity of highwaymen. False prospectuses, false working capital; the using of names of men as directors without their knowledge, the use of dummy directors, the buying of ramshackle plants and charging more for them than new, and the paying of hundreds of thousands of dollars for business in a state of bankruptcy, and doing all with the money of the unwary public.

All is done openly and with impunity, while the poor worker who steals a dollar is put in prison. All is common knowledge, and the authorities stand by and wink, and if the storekeeper, or laborer, or bank clerk does a small crime they are put in the penitentiary. The country may have the most beneficent of laws upon the statute books, but if the authorities are purchased, whenever they are violated, by men who can buy off all opposition, where is the hope of remedial measures? Men who have put out false prospectuses and other false statements whereby they have cajoled the unwary out of their money, as well as all creators of bogus capital who have abstracted the proceeds, ought to be indicted without fear or favor, and unless this is done there cannot be equal liberty and protection for the poor and rich. The trader and the worker belong to a class which produces for the good and enrichment of society, whereas the men who do this wrongdoing are systematic schemers, of no more value to society than the parasites who bleed their victims. The men who scheme by charging bogus capital as the real, and take the proceeds and spend it upon luxuries, are as bad as a

devastating fire. Were wage-earners to openly swindle with bogus labor charges, in the same way as the bogus capital-maker swindles with bogus capital; were labor to charge a thousand million dollars of bogus labor stock, as a perpetual debt to the steel industry of the nation, and demand dividends upon it forever, as the members of the Steel Trust have done, it would be better for the nation, because the workers use the necessities of life, and thereby the trade of the country would be expanded, whereas the bogus capital schemer uses mostly luxuries, and often in foreign countries.

Bishop Spalding, at Chicago, on the 9th of February, 1904, stated: "More than 70 per cent. of the wealth of the United States, it is reckoned, is owned by 9 per cent. of the families, while 29 per cent. of the wealth is all that is left for 91 per cent. of the population." In other words, this states that 9 in every 100 of the population own \$70 of every \$100 of all the country's wealth, and that every 91 in every 100 of the population own only \$29 in every \$100 of the country's wealth. In view of the rate of the creations of the bogus capital and the charging it as actual money, and the length of time it has been done, these terrible and appalling results are only natural. It is a formidable statement of the progress of the industrial enslavement of the American people. In view of all this, by the advance in power of a plutocratic oligarchy, which has corraled the country's wealth in such proportions, and continues to do it by such rapid stages, have we not lost, and are we not losing, vastly more than all the rewards of the War of Independence and of the Civil War, and is there not a greater war than either in front of the American people, who are so far enslaved, if they are to obtain their industrial liberty for the future? By indifference to the ballot box and to the quality of their representatives in the State Legislatures and Congress, what a great heri-

tage the American people have forfeited, and by often selling their votes, what a vast possession for themselves and their descendants has been given away. The darkness and gloom, the degradation and servitude, are not yet, until the iron bands have been completed. In 1900 only \$29 of every \$100 of the country's resources or wealth had to be corralled in order to complete the enthralling chain, and then the other 91 in every 100 of the population will be in slavery as complete as ever serfdom was in Russia or slavery in the worst of slave-holding times, because these nine of every hundred of the American people will be the owners of all American wealth, and mostly by means of bogus capital charged as actual money. The advantages of the War of Independence, as well as of the war for the integrity of the Union, were very great, but all are more than counterbalanced by the fact that nine in every hundred of the population are the owners of 70 cents of every dollar of the country's wealth, obtained mostly by the charging of bogus capital as the real.

All this is not a question of policy and cannot be a debatable quantity, but it is simple license, without any kind of restraint, given to the most pillaging of crime, which not only wrongfully enrich the pillagers and impoverish and degrade the producers of the nation, but provide the pillagers with the most powerful of weapons whereby they can grind and enslave the producers still more. England, France and Germany and other countries make examples of the men who create bogus capital and charge it as real money. Whittaker Wright, who charged bogus capital as real money in England, was sentenced by an English criminal court in January, 1904, to seven years penal servitude for the offence. Had he done the same in the United States he would have realized the proceeds and enjoyed them in buying steam yachts and racing studs, and the amount of the bogus capital

would have been a perpetual debt for the American people to carry and provide for every year by higher prices for all and lower wages for the wage-earners, and increased privations for the others who are not rich. The righteous sense of the English Stock Exchange was so active in London that it appropriated special funds to pay for the criminal proceedings, and after the conviction the London Stock Exchange was reimbursed by the British Parliament. The punishment of the bogus capital-maker in the United States does not fail because there are not laws which make such doings a criminal offence, but because the moral sense of the American people is not alert enough to demand that the laws shall be put into operation.

In England no railroad can be capitalized until the proposal has been publicly examined by a select committee formed by Parliament, and its recommendations cannot be confirmed until Parliament has given permission. The English Stock Company Law makes imperative the greatest publicity for every stock company organization, and it must be publicly approved by the courts. Every stock corporation director is liable by his person and property for every statement in the prospectus or report. Every semblance of misstatement is a criminal offence. It is a criminal offence in England, as it ought to be in this country, to make any profit by promotion of a company or by sale or purchase, unless the facts are published in detail in the public prints. Every vendor, every purchaser, every sale, every purchase, whether by rich or poor, saint or blackguard, the usher at a bishop's consecration or the bishop himself, must make public all contracts, written or otherwise, and any false statement, at any time, makes the author and the other directors who have assented to it liable to a criminal prosecution.

The doings of American plunderers are a byword and a hissing in all countries. No annals of commerce can

produce their equal. The most barefaced and diabolical plunderings are done, and the perpetrators have only to purchase immunity and then plant themselves upon the bills of fare of churches and educational establishments with the effrontery of Mephistopheles. The doing are not new; they are usual and customary. The following is an extract from the *Brooklyn Eagle* of December 30, 1881. Referring to the operations of Jay Gould, Russell Sage, Cyrus W. Field, of that period, it said:

"For several years past it has been manifest to all but the blind that our State Government, in all its branches, was largely under the influence of railroad operators, whose interest in the Legislature is to make weapons of defence, and in the judiciary to turn these weapons against the public. Steadily the work has been going forward of reducing the honest material enterprises of the Commonwealth to a condition of servitude to a few men, and as a result the spectacle is presented of certain monopolies and monopolists piling up fortunes such as the world has never seen, while side by side of them poverty seizes upon ever-increasing thousands of industrious people. Mr. Vanderbilt, by the stroke of his pen, enriched himself to the extent of fifty million dollars. The Erie stockholders were by an equally expeditious move robbed of sixty million dollars. A half dozen men now add thirty million dollars to the Western Union Company without investing a cent, while the attorney-general showed that the Manhattan Railroad of New York City was watered to the extent of eighteen million dollars, every cent of which was so much stolen from the traveling public. Jay Gould's latest operation gives him three millions. These things show how the wealth of the country is going. They show how the farmer, the artisan, and the merchant are sweating their blood out to enrich a few who regard their fel-

low-men as the spider does the fly, and as the wolf does the sheep."

It will surprise many Americans that sets of men in New York, Philadelphia and other large cities can form syndicates without using any money of their own, and can get banks, banking trusts and other institutions to co-operate and lend their depositors' money to enable the syndicates to get options of purchase upon the railroads, industries, and other resources of this country, the control of which constitute monopolies, and then charge them with mortgage bonds, often for more than actual cost or actual or proper value, in order to pay for them; and then, on top of these mortgage bonds, charge thousands of millions of dollars of bogus capital stock certificates as real money. By operations of this kind single members of syndicates have come into possession of millions of dollars in cash. Every intelligent American will realize that whenever men obtain the vast amounts of dollars for nothing, the commonweal has to pay for it, because the loaf of wealth in the country is not unlimited in its size, and the more some take than their share for nothing, or that they earn, the less is there for the others.

All these bogus capital stock certificates and mortgage bonds, turned out like soap bubbles, stand upon the country's resources as a perpetual debt, and must be provided with yearly payments, like the mortgage upon a house. The power of cornering the country's resources, and then turning them into a monopoly, and then charging them with thousands of millions of dollars of bogus capital as real money, is like charging a bank with capital which never existed, and the bank is obliged to pay yearly dividends, as if actual money had been paid in.

There has been unrestrained license taken by men to form expeditions of plunder and blackmail to corral the railroads, industries and other resources of the nation by

which the people live, and then charge them with debts, and the proceeds have not been put into the treasuries of the different corporations, but taken for private aggrandizement. The charges which could be squeezed out of the people for products and transportation, as well as by parsimonious, and often by grinding wages, have been the measure by which the creating of mortgage bonds and capital stock have been created. Earnings have been anticipated and every possible contrivance has been used to force revenues, and these have been made the measure of asset value. Whenever a pretext could be devised, and even when a pretext could not be devised, bogus mortgage bonds and bogus capital stock for thousands of millions of dollars have been created upon the country's resources and charged as real money, just as if the money had been paid in, or other representations of value had been given in exchange. Often the men who created the bogus charges were in only temporary control, acquired by depressing the prices of the stock market, and under varying pretexts have issued mortgage bonds and capital stock, and then under other pretexts have taken a large portion, and sometimes the whole of the proceeds. The providing of yearly interest and dividends for all these creations of imaginary or bogus capital charged as real money, for which real money has been taken for nothing, means that the resources of the country have been laid under tribute, and are made subject to an enormous yearly tax, which in its pernicious consequences is worse than a war tax, because it is a tax of plunder, and goes into the pockets of men who have no more title or right to it than brigands.

In consequence of these wrongful conditions millions of men and women, as well as working children, are harassed in order to live, and do not know what a day will bring forth. To be happy requires obedience to the laws of being. But how can human beings be obedient

to the natural laws which govern them, when they are underfed, underclothed, overworked, and must of necessity live in ill-conditioned rooms and inhale foul air? The men and women do not possess liberty who must work under hard conditions for ten hours and more. It is more than absurd for the opponents of high wages and shorter hours to claim that commodities cannot afford the increased wages and shorter hours which enable the wage-earners to be larger consumers. But the commodities are affording vast sums for bogus capital by which a luxurious class is being created, which is incomparably less productive and advantageous than the wage-earners. Imagine the widespread benefits to the nation if the wage-earner could be paid more and the luxury users paid less for a process which is industrially enslaving the country, and imagine the resurrection of equity and morals by doing justice to the producers, instead of extravagantly indulging those whose vocation is to place the country under unjust monetary incumbrances.

The means of happiness and good improving living, the first essential of good citizenship, would be within the reach of all the millions of the American people, were the greed and grasp of the few who have adopted the use of bogus charges to bleed the people under the restraint of the law and made to disgorge.

The founders of the United States and the authors of the Declaration of Independence would be not a little surprised were they to return in the third year of the twentieth century and find that about thirty thousand million dollars of bogus securities had been created as perpetual charges upon the country's resources, and that the proceeds had been taken by the men who juggled them into life, and that now the American people are struggling to provide these bogus creations with yearly payments. In other words, the great resources of this country have

been so manipulated that they are not for the benefit and well-being of the American people, but for the private purposes of men who make bogus capital for themselves and then make the people provide it with dividends.

The existence of this enormous amount of the spurious treated as the real means that the country's resources are charged with debts approximating \$30,000,000,000, for which the country and nation have received no pretence of equivalent, except a class of millionaires who are mostly due to its creation. The country has been proceeding like a man who has a thousand dollars and buys steel with his money, and reckons the steel worth five thousand dollars, and begins to indulge and spend accordingly. Were an individual case under consideration he would be declared to be on the road to ruin. But this is just what the American people have been doing, made worse by stock jugglers taking the real money, often for extravagant luxuries and degrading indolence. It is like a grocer who invests his capital of a thousand dollars in groceries, and he at once assumes and acts as if their value were five thousand dollars, for this is about the proportion in which bogus capital has been charged. Neither the country nor the people are actually wealthier by such a process. The inflation of products, of land, of houses, developed by means and by the influence of bogus capital charged as real money, is not wealth. It is inflation, of the value of air, and the adjustment of the fictitious to the real for the nation is inevitable, and until the nation makes the adjustment there will be a period of financial disease aggravated by neglect or delay. But for the bogus capital which has been charged as actual money upon the different resources of this country since about the year 1860, sixty cents would buy more of the necessities of life and other commodities than can now be bought for a dollar.

All this explains the excess which the farmer has to

pay for transportation, for his clothing, and for the necessities of life which he does not grow. All this explains in large measure why the average farm hand in the United States is paid the wages of only \$64 for a year's work, according to the United States Census Report for 1900. The high prices for the farm hand who receives \$64 for a year means that his wages will buy only about one-half of the quantity that they ought to buy, and would buy, if these evils were rectified. These doubled prices are hard upon the factories and the wage-earner, for when \$64 will buy only \$32 worth, only \$32 worth must be made by the factories, and produced by the wage-earner. These high prices make it necessary that children work in factories and work long hours for small wages; and they explain why 2,000,000 children are working for a bare living in the great modern Republic, where there is more than enough for all. These high prices, created to provide bogus capital with yearly charges, as if it were actual money, explain why families are existing in New York City with no more than \$4 per week for their work, with meals of only coffee and bread, and why in one municipal district of New York City there are more evictions in a month than in the whole of Ireland for the same period. These high prices explain why a small room at the top of the tenement in New York City, without any air or light except by the door, costs \$8 per month.

This vast amount of the spurious charged as the genuine upon the country's resources explains why men, women and children workers must travel to and from their work packed like sardines, in a railroad car, holding on to straps, and paying five cent fares, while in the cities of Great Britain the workers travel under better conditions for less than two cents. The same cause explains why men, women and children workers are tenants of cold rooms, while the cost of coal in England is nine

cents, and in Philadelphia and other cities the same quantity and quality of coal costs twenty cents. The same cause explains why the price of refined sugar in 1902 at wholesale was 2.56 cents per pound in England, when the same sugar at wholesale in the United States was 4.46 per pound. The same cause explains why the men, women and children workers in the city of New York and in other cities are without light of either gas or electricity, while the cost of gas in American cities is a dollar or more per thousand feet, while in the cities of Great Britain the cost of gas is less than half. The same cause explains how American bread is charged from five to eight cents per loaf, while the same bread, made of the best American flour, is sold in the same quantity in London for two and a half cents.

In Glasgow, Scotland, 177,000,000 passengers were carried in 1902, and the payment for traveling was less than one and three-quarter cents each. Some paid one cent for a shorter journey, and the others paid two cents. Not only were the people of Glasgow carried for these costs upon an electric railroad, but a further profit was made by which in thirty years the cost of the railroad will be paid off, besides a large amount being appropriated from the profits to reduce the general expenses of the city; and no employee worked more than eight hours a day. The railroads of American cities, especially such as New York and Philadelphia, have been used like the gaming tables of Monaco. In New York City return tickets at a cost of three cents would provide better wages, shorter hours for the railroad men, and pay all actual costs, were the railroads not burdened with charges for fictitious capital and mortgage bonds. In 1901 the street railroad of New York City owned only 26 miles, and this was charged with about five million dollars a mile, and the other part, which was only rented, had been dosed by the other com-

panies with bogus capital for about the same sum per mile. In 1903 this railroad, which ought to be for the citizens, was charged with a new company to look after the dividends for the other companies and to guarantee the payments, and this new company was endowed with nearly thirty millions of bogus capital, so that it could bleed the citizens still further in the process of providing the blood for the other companies. The greatest concern of the stock-juggler is to find pretexts. Only pretexts are required: no assets but those which can be squeezed out of the public; no money but that which can be turned into the dividend bureau, and this will so vitalize the bogus capital that it becomes a standard security for the Stock Exchange.

The excessive cost of coal in the United States is not because the coal is scarce or that the means of mining it are inferior, but because the coal lands, the methods of coal mining, and the coal transportation are charged with millions of dollars of bogus capital, as if it were real money, and the high prices are necessary for dividends for capital which never existed. In 1879 there was less fictitious capital charged upon the coal industry than in 1902. In 1879 the wholesale price of anthracite coal was \$2.50 per ton, and in 1902 the wholesale price was \$4.50 per ton. The increased cost of gas is not because the American people have not gas coal, nor that they have not the modern means of converting the coal into gas, but because the franchises which give a monopoly of gas and electric supply in New York and other cities have been obtained without consideration for the citizens, and the franchises and the means of making and distributing the gas, as well as the gas coal and electric plants, are charged with millions of dollars of bogus capital, as if it were actual, and high prices are necessary to provide it with dividends. The same quality of gas is being supplied in

English cities for less than fifty cents per thousand feet. The gas and electric supply of New York City are controlled by the Rockefeller interests, and although the citizens and the press are in a state of indignation because of the quality of gas supplied, it is publicly stated that for every dollar of actual capital invested, more than ten dollars of bogus capital have been charged as actual money, and all are receiving large dividends.

The bread made of American flour, which is sold in England for less than two and a half cents per pound, which is charged five cents in the American cities, is mostly because American appliances, American transportation, American means of distribution are more or less surcharged with bogus capital as if it were real money, and higher prices and charges are necessary to provide the bogus capital with dividends. The baker has to pay more money for his clothing, for his home, for his means of travel, because all are more or less under tribute to provide dividends for capital which exists only in dream-land.

The charge for a room in tenements in New York and other cities is not due to cost but to the general inflation of prices, due largely to the creation of thousands of millions of dollars of fictitious capital, charged as actual money, and to the inflated cost of transportation, and also to the higher price for work, necessary to meet the high prices and the reduced buying power of the dollar. Were transportation free from fictitious charges the rates would be lower, and then land outside the cities would be available for dwellings of better quality at less cost. The 64,500 evictions in New York City in 1903 are because the occupants of tenements are unable to pay the high rentals, as well as the high prices and charges for living and clothing and traveling. The more than two million children workers who are said by Anson Phelps Stokes, Jr., to be work-

ing under unfit conditions, is not because there is a scarcity of men workers, but because they cost less, and because the pressure in every direction is to make dividends for capital which is unreal. The prices being so high makes pressure for the parents, and contributions by the children's wages are often necessary to provide the money to pay the higher prices for the food and clothing and housing, and without the children's wages the supply would often be still more scant.

Refined sugar is not more plentiful in England than the United States, and the English have not better means of refining sugar, but the bogus capital charged upon sugar requires dividends, and these cannot be provided except by high prices. According to the wholesale prices issued by the United States Treasury for refined sugar in 1902, and the wholesale prices issued by the British Government for the same year for refined sugar, one hundred cents would buy as much in England as 174 cents would buy in the United States. This means that every million dollars' worth of the same refined sugar in England was sold in the United States for \$1,740,000. The extra profit of \$740,000 upon a million dollars' worth of sugar would provide dividends at the rate of 4 per cent. per year upon more than \$18,000,000 of bogus capital, which could then be sold upon the New York Stock Exchange as freely as wheat in the wheat market.

The knavery in charging imaginary capital as the real is seen when we consider the nature of real capital. Capital is necessarily something which exists, and therefore it cannot be fictitious. Capital must necessarily be something which will reproduce wealth, and therefore it cannot be imaginary or unreal. If it cannot reproduce, it cannot possibly be capital. Therefore, how erroneous and fraudulent when men make pieces of paper having the semblance of money and call them capital.

The bogus capital-maker is like the scout of an attacking army, to discover where people are industrious, productive, and spending money; for it is there, and upon them and their industries and necessities, upon their earnings and spendings, that he can create bogus capital and charge it as real money. If the people travel, especially if they must travel, he corrals into a monopoly all their means of traveling. If there are many who must eat or drink or clothe, or who must light up, or use heat, he corrals the food, clothing, as well as the gas, electricity, and oil and coal. All this is never done except to make bogus capital. Were there no bogus capital which could be charged as real money, the corralling of the railroads, industries, and other resources of the country into monopolies, and then into Trusts, would be in vain.

When a man owns a store or farm it is important that they are free from debt, but it is especially important that they are free from debts for which he has received no consideration or advantage, such as when bogus capital has been charged upon the country's resources. When a man has to take out of his earnings from his store or farm so much every year to pay interest for a debt for which he never received anything, his condition is not only oppressive, but it is unjust. But when a man pays by higher charges or higher prices so much every year to provide dividends for a debt upon his country's resources, for which his country has received nothing, then this is no less oppressive and unjust than if he had to pay interest upon a debt upon his store or farm for which he received no consideration or benefit. The trader, the farmer, the citizen, and the wage-earner are in the position of the house-owner when another person obtains a mortgage upon the house and takes the money, and the house-owner has to pay perpetual interest upon the amount of the

mortgage, and is liable for the principal also, although he never received the mortgage money.

The sum approximating thirty thousand million dollars which exists upon the resources of this country as bogus capital charged as real money, does not include the just mortgage bonds and capital stock which have been issued for actual values. This amount represents only the sum of the pledging of the country's resources, in excess of proper costs or proper values. When a railroad is mortgaged by mortgage bonds for its cost to construct and equip and for betterment, and for working capital, it ought not to be pledged again for any monies for private purposes. All bogus mortgage bonds and capital stock charged upon railroads of which the proceeds have been used for private aggrandizement ought to be void in law.

It cannot be other than a policy of eventual destruction to permit the resources of the country, upon the efficiency of which it depends for its very existence, to be charged in perpetuity, without compensation or exchange, with thousands of millions of dollars, which must be provided with dividends every year by higher prices and lower wages. In view of the economies necessary to support a great and increasing population, and place the necessities of life within the reach of the working producers, as well as to obtain those low costs which will capture foreign commerce, is it not absolutely imperative that all imaginary and fictitious charges shall no longer infest and disqualify our railroads from giving the utmost of economies in transportation? Is it not equally imperative that our industries shall be made free from the same discreditable cause of disablement, so that our exports of manufactures can be normal, and that an American dollar at home shall buy more of American industrial products, whereby the people can consume more? This is not a question of choice for the American people. The cost of production,

because of bogus capital being charged as real money, has become great, and will become greater and greater as the bogus charges are allowed to increase.

The thirty thousand million dollars of bogus charges put upon the country's resources, with the proceeds of which the authors have floundered into millionaire life, stand like a mortgage upon a house for which the legitimate owner of the house never received the money. This terrible amount, when divided among the 80,000,000 of the American people, means that each have a perpetual debt, for themselves and their descendants, of \$375 per head, to be provided with its yearly charges, which are always there, even if there are no wages. When we divide this perpetual debt among the workers, or producers of the nation, it amounts to more than \$1,000 for every one of them. This iniquitous debt acts like a maiming machine upon all those who work. It reduces the earning power for themselves, and it makes their hands, their feet, their brains worth so much less to themselves, but worth so much more to the men and their families who have juggled the debt into existence by charging bogus capital as real. Thus the extent of the disabling incumbrance is apparent. But it is more apparent when we consider that the men, women and children, who do all the work and producing of the nation, and the creating of the country's wealth, are only 38 in every 100 of the population, and that the remaining 62 who do not work, or are too young, or too old, or are sick or imbeciles, have to be provided for by these 38 in every 100, as well as provide subsistence for themselves.

The great crucial question of the enslavement of the American commerce is now before the American people. and next to the Revolution and the Civil War, it is the foremost question ever presented to them. Shall sets of men systematically corral, then form into monopolies, the

railroads, industries, and other resources of the country, pledged for thousands of millions of dollars, in order that they can get pawn-tickets, in the shape of mortgage bonds and stock certificates, which they can sell and take the money for themselves? Shall men have full license to create huge Trust institutions, in order to pledge the country's resources, and then sell the pawn-tickets, as was done with the United States Steel Corporation and with nearly all the other Trusts? If the American people say yes, then more pledging will be done and more pawn-tickets will be created, and the yearly charges for them must be paid by the American people who work, while the money will be taken, as in the past, by the few Americans who only scheme. If the American people say yes, then the American industries and other resources must be blackmailed for the amount, they must be disabled to that extent, and their products must be the most costly of all countries, as they are, although they are produced in a country of incomparable resources, and by labor and machinery which are the best in the world. The outcome will be that more millionaires will be created, and the people must work more and be depended upon as the chief consumers of the country's products, although their wages to buy with are small, and by increasing prices are becoming smaller in value every year.

The existence of a debt approximating thirty thousand million dollars which represent fictitious creations of capital, charged as real money upon the resources of the country, is the cause of only \$9.44 being the average wages paid to workmen in all industries of the United States, and the explanation of \$9.44 buying only \$4.72 worth of the necessities of life. The existence of this debt explains why all Americans, in the professions, in trade, in industries, on the farms, wherever they are in this country, obtain about sixty cents worth of transportation, clothing,

housing, and home-life, and often of food, for a dollar. The existence of this enormous and crushing debt operating as a black cloud upon the lives of millions of people, explains how millions of dollars have been taken for nothing but gambling and pledging, by which the country's resources have been alienated to bogus capital. When millionaires have given the country equivalents for the millions of dollars which they have obtained they are an advantage to the nation. But when millionaires have extracted their millions by stock-juggling, by non-producing contrivances, which give no equivalent to the nation, like bogus capital charged as real money, and then juggling the investors out of the capital stock, they are an incumbering load upon the Commonwealth.

When men corral the country's resources, very often without ownership or possession, and then charge them with vast amounts of mortgage bonds, in excess of value to pay for them, like the mortgage bonds of the Steel Trust, and then charge the country's resources with bogus capital as real money, they make necessary that others shall make up the misappropriation, and the consequences, in the end, always rest upon the people who work, and thereby they are made less capable, poorer, with increased privations, with lives difficult, hard and often unendurable. Whenever men give an equivalent for the money they obtain, for the resources they acquire, the number of the poor is small, and the happiness of the people is great, unless the country is barren. Whenever the poor are very numerous, whenever the privations of the people are great, whenever the cost of living is high, in a country with vast resources, whenever wages are comparatively small for long hours of work, at high speed, then always there have been vast appropriations of wealth, taken for nothing. This explains, and is the only explanation, why vast wealth in this country is allied with vast poverty, and

great working pressure mingled with the desperation of want. Were men to give an equivalent for their wealth, the country would get the equivalent, and the people would get a share. The alienation of the country's resources and the charging of them with the maintenance of non-producers, whether by the action of a monarchy or nobles, or the action of a juggler in making bogus capital charged as real money, is the real creator of poverty and has always been so. For example, were a community, numbering one hundred persons, to possess money or resources of country, or an industry, of the value of one hundred thousand dollars, each person of the community would be worth one thousand dollars. Then each member of the community would be comparatively well-to-do, and the demand upon each would be reasonable and moderate. Then the compensation would be adequate and the conditions of life would be good, improving and enjoyable. But were one member of the community, with more greed and grasp than all the others, to get a mortgage loan upon the community's resources for ninety-nine thousand dollars, and take all the money for himself, and leave the debt and its yearly charges as yearly obligations for the ninety-nine other members of the community, then the ninety-nine persons would have less than eleven dollars each, instead of one thousand dollars. Then they have not only a reduced share, but they have to provide for the shares which they have not. They have to provide for the quarterly interest upon the debt or mortgage, for which the greedy and grasping member has taken the money. Then the conditions of the entire community are vastly changed. The ninety-nine members are made poorer, for they have lost nearly all their share of the resources of the community. They have, besides, to carry the debt and pay interest upon it forever. Then the ninety-nine members must not only be poorer, but they must work harder and

longer, and eat less food, and use less clothing, and use worse houses, and possess inferior homes, because they have to support the tricky member in luxury, with his servants, and coachmen, and horses, and steam yachts, all of which are non-productive. And all this is being done by the money derived from mortgaging the resources of the community and taking the proceeds. When the tricky member of the community obtained ninety-nine thousand dollars by pledging the resources of the community and appropriating the money, he did the same work, in the same way, by which Trust-makers make Trusts, except that the Trust-maker makes the debt about five times the actual value, or cost, and the people must carry and provide for the amount every year, forever. Intense avarice and depravity, allied with extra smartness, are all that are required to corral railroads, industries, and the other resources of the country, and these have created the enormous debt which, for its yearly charges, bleeds the people so largely. How natural that the multi-millionaires should be so plentiful, that they should get their millions so easily, and that the cost of everything, especially the necessities of life, should be high, to make up for it. The country's industries and railroads are becoming like vast proprietary domains in olden times, apportioned among princes, except that the revenues then were only a miniature of the amounts they are now. The methods of acquiring the millions and becoming princes, by controlling properties as easily as dice-throwing and thus commercially enslaving the people, without their knowing it, and then bleeding them so largely, would be a surprise to Cæsar himself. The ease with which these princes are created can be imagined when they carry the means up their sleeves.

Mulhall, the eminent statistician, and others have declared that a young man is worth to the United States, as

well as to himself, one thousand dollars. That is, supposing he had free course, and had not to carry and provide for the portion of the debt upon the country's resources created by bogus capital charged as real money. With his portion of the debt upon this country, created by fictitious capital, his share is more than one thousand dollars. Therefore he is worth one thousand dollars to the country, and instead of being worth one thousand dollars to himself, he is worth one thousand dollars to the stock-jugglers who have created all the bogus capital and charged it as money.

HOW THE AMERICAN PEOPLE AND THEIR
COUNTRY'S RESOURCES HAVE BEEN CAP-
ITALIZED UNDER THE CONTROL OF
BOGUS CAPITAL, WHICH HAS
BEEN CHARGED AS REAL
MONEY.

When the American people's resources are gambled under the control of bogus capital, charged as real money, the people who produce, as well as the people who use the products of these resources, are largely included. The American people who work out their existence, as well as their descendants, cannot do it with freedom and liberty, nor with true manhood and womanhood and well-being, while their country's resources are every year being brought into the stock-juggling corral, in order to bleed them, for a bogus capital, which the stock jugglers have imagined.

THE United States has soil and climate capable of all growth. It has incomparable mineral wealth. It has the means for the pursuit and enjoyment of happiness, for all its people, superior to all countries. It is claimed that it has the best of labor, of labor-saving appliances, and other machinery whereby the most can be produced for the least. The average farmhand of the United States actually produces four times the quantity of farm products of the average farmhand in Europe. Its working people in the different industries work longer and at greater speed, and were bogus capital not charged as real money in such vast proportions and placed as a perpetual debt upon the country's resources, to be provided for every year by higher and higher prices, it would produce and deliver to its people more for a dollar of food and clothing and housing, and of home-life, than any other country.

With all these natural and acquired advantages an American is surrounded with nature's goodness and plenty. He lives under a democratic form of government, intended for the benefit of every one of its people, and with good honest government and all that nature and human ingenuity have provided, the United States should be the ideal abode of mankind.

But during the last fifty years these advantages have very largely been capitalized under the control of stock companies, not for the purposes of utility or economy, but in order to make thousands of millions of dollars of fictitious or bogus capital and charge it as real money, and leave the amount as a perpetual debt upon these means of advantage and benefit intended for the future use and well-being of all the American people.

When the resources of a country, such as its industries, are capitalized by bogus capital being charged as actual money, the working people, as well as others who act as producers, are practically included. The country would be no better than a howling wilderness, it would be worse than an Indian reservation, were there no working people to produce and no population to consume. All this is foreseen and calculated by the Trust-makers of bogus capital. Very largely, the different products which can be produced, and the people who produce them, and the higher prices for the products, and the lower payments for wages, are estimated and capitalized, and for every four million dollars a year which can be evolved by the extra enslaving grind, one hundred million dollars of bogus capital stock can be created and charged as actual money, and then sold on the New York Stock Exchange as easily as exchanging paper dollars of the United States Government for dollars of gold. To grasp the wealth or resources of the country by which the American people must live, and then charge them with thousands of millions of dollars of bogus

capital, as real, and then appropriate the money for themselves, is the purpose of Trust-makers.

In former times a slave-owner could breed slaves, as men now breed horses and sheep, in order to increase his wealth. In Russia, during the period of serfdom, the nobles were accounted rich according to the number of serfs they owned. When the slaves or serfs were counted at stock-taking time they were estimated as being capable of earning so much money a year. They were then capitalized in the same way as industries, railroads, and the earnings of their employees, are capitalized now, except that then there were no capital stock corporations, and consequently there were not the great inducements to treat slaves and serfs to enormous doses of bogus capital, and charge it as real money, as now. When the slaves or serfs were capitalized, the more they could produce in net yearly earnings the greater was their monetary value. The earnings of so much money yearly, in dollars or in roubles, enabled the slave-owner and the serf-owner to determine the amount for which they could be capitalized. The larger the earnings could be made, the more money would the slave plantation and its slaves and the serf estate, with its serfs, fetch at auction. Then, neither the slave-owner nor the serf-owner was up to modern methods, in the way in which an American stock-juggling Trust-maker is up to date now.

Were a stock-juggling Trust-maker to handle a slave plantation or a serf estate now as he handles the industries, railroads and other resources of this country and counts the earnings of their employees, he would make a stock corporation and place the whole lot, by a piece of jugglery, under the control of a great perpetual debt, for which he would take vastly more dollars than the actual cost or worth of the property. The first operation would be to create a mortgage on the property, and fix it in such

form that it would be quoted and bought and sold on the Stock Exchange. The mortgage bonds are the mortgage deeds of the property, but in small uniform amounts, and a yearly interest is payable upon them, which, in the event of failure, entitles the holder to legal proceedings and ultimate foreclosure. The amount of the mortgage bonds is usually for more than the actual cost or worth of the property, sometimes double. These are sold by brokers and agents, and the proceeds supply the money to pay for the property. The next step is to make the bogus capital, usually depending upon how much can be squeezed out of the people, for dividends. The amount of the bogus capital is sometimes more than five times the value or cost of the property. The bogus capital is a perpetual debt upon the property, like the mortgage bonds, and both must be provided with their yearly charges, only out of revenue. There is no restraint upon the amount of the bogus capital, nor upon the amount of the bogus mortgage bonds, although the capital stock is no more the nature of capital than a fraudulent bank-note. But it can be made of value, but in no other way than by the creation of dividends, and then it can be sold. After the scheme has been completed, the amount of the mortgage bonds and of the capital stock is the sum for which the property is in pledge to the bondholders and stockholders. The Trust-maker has decamped into millionaire life with the money which he has juggled into his own pocket at the expense of the property. The slave plantation and serf estate, loaded with a disabling debt, are now under a new form of control. If the interest on the mortgage bonds is not paid regularly all may go to pieces. If the dividends are not paid regularly there will be trouble. Therefore, new pressure is applied in every direction. Doubt and difficulty, friction and antagonism, and discontent are everywhere. The stock-juggler, who has created all the embarrassment, is enjoying a princely

life, as righteously obtained as the money obtained by the card-sharper.

There is an important difference between the slave plantation owner and the modern stock-juggling Trust-maker. The Trust-maker never pretends to ownership or possession; he never pretends that he employs his own money. He obtains only an option of purchase, often for no more than 90 days; and then he proceeds to pledge and pledge, until the property is transferred to the mortgage bondholders and the bogus stockholders, when the juggling scheme is completed. The juggler never does any legitimate trading. He never pretends to give honest equivalents. He never produces any enrichment of society, any more than the proprietor of a debasing poolroom. In the most generous sense he is no better than a perpetual attack of virulent smallpox in a peaceful abode of industry. By the stock-jugglery he makes vast millions of dollars for himself, without cost or outlay, beyond some incidental expenses. He juggles industries, railroads, and other resources of the country, from an option of purchase, with all their employees with their families and homes dependent upon them, into the control of bondholders and stockholders, who believe they have secured unheard of bargains, which will make them millionaires as well.

In stock-juggling three important processes are completed. The first is that the stock-juggler has slipped out with millions of dollars, and renders no service whatever to the property which he burdens with perpetual debts. The second is that vast millions have been charged to the industries or railroads or other resources of the country, for which they receive no benefit, but actual disadvantage. The transaction resembles in every particular the action of a man who, as a stranger, mortgages a house which he never owned, and appropriates the money. The house is then in the same position of the industries and railroads

and other resources of the country. All are burdened with a debt for which they did not obtain the mortgage money. The house is then like the resources of the country—all are in queer street, and submerged in difficulties. The house needs more rent to pay the yearly charge of the mortgage. The industries must demand higher prices in order to provide for the dividends of the bogus capital stock, for which it received no benefit. Later, the difficulties become accentuated. The rent of the house becomes so high that it is difficult to find a tenant. The prices of the industrial products are so high that the people must do with less, and some must do without. Then the demand falls off more and more; then the mills must close; the wage-earners must cease to work; then the demand is reduced still more; then there is bad trade, and the innocent wage-earners and others are reduced to the desperation of want. The third process is, in its results, like a temporary attack of a nauseous disease, except that the charge is forever waiting like a vampire for blood which has never been earned, and for which nothing of any value has been given. These are not theories, but actualities of every-day American life.

When an American man or woman starts out in life for the struggle to live it is important that they should be free from debt, free from its influences and exactions, and free from all monetary burdens which hinder in the race of life. But not one of the American nation who is in the number of the people who work can start life free from a great oppressive incumbrance which bleeds every moment of their lives. Each one must carry a great debt and provide dividends for it by more work and less wages, more privation and increased suffering, caused by stock-jugglers having pledged the resources of the country in which they live for bogus capital stock, and taken the money without giving anything of value for it. It is not

enough that all of the 29,074,717 who work in the United States must face competition with each other, but they must do more. They must carry always a debt charge of about a thousand dollars. The thousand dollars have been created by the men who make bogus capital for stock companies, who take the proceeds and leave the amount as a debt upon the country's resources, which can only be provided for by the American people who work. This enormous debt, for which real money has been taken for nothing, needs interest and dividends every day. Before the wages or earnings can be used the interest and dividends must be provided for, and in providing for them so many cents are taken from the dollar every time it is used. When a man clothes, charges for dividends must be included in the price of his clothing. When a man provides a home for himself and his family, charges for dividends must be included in the cost of the building materials of the house, in the cost of the appliances of his kitchen, in the cost of the furniture, in the cost of the gas with which he lights up, in the cost of the coal or the oil with which he cooks and is warmed. In countless ways the American people are fleeced in order to provide dividends for a capital which is fraudulent.

Andrew Carnegie has publicly stated that "Trusts are a natural and inevitable outcome of our economic conditions." It would be interesting were Andrew Carnegie to inform the American people if there exists one single Trust, that is a trade combination, which has no bogus capital charged as actual money. It would also be important to discover if he actually believes that it was for the good of the American people that their steel industry should have been charged with mortgage bonds so excessively, by which he was enriched so enormously, and that more than a thousand million dollars of imaginary capital should be charged as actual money, upon which the

American people are called to pay dividends and interest for ever, by higher and prohibitive prices and lower wages, such as the Steel Trust has accomplished.

Andrew Carnegie has obtained a goodly heritage by only one Trust, and for him it is only natural to advocate them. He has acquired forever an income for himself, his administrators and executors, of nearly sixteen million dollars a year, by being a party to bleeding the steel industry of this country. This is more than four times the income of the King of England and all the royal family, and whatever vicissitudes may come to the King of England to make his income precarious, that of Andrew Carnegie cannot be endangered, so long as the United States has a steel industry. The *New York Sun* of August 11th, 1903, says that in twenty years the iron ore of this country is likely to be exhausted, causing the extinction of this country's steel industry. But this has been provided for. Andrew Carnegie obtained \$303,450,000 in first mortgage bonds, which must pay 5 per cent. a year or the entire properties of the Steel Trust are liable to legal proceedings and forfeiture. There were sundry doubtful contingencies, such as the exhaustion of the iron ore of this country, and the resulting collapse of this country's steel industry. Andrew Carnegie did not forget these. He arranged that the contract should secure to him, and his future heirs, and lay aside so much money every year as a redemption fund, so that he could acquire the principle in gold dollars, or English gold sovereigns, in a certain number of years, before the steel industry is a thing of the past, or in any other event.

The excessive amount paid to Andrew Carnegie for only 60 per cent. of the Carnegie Company's steel plants will be seen when we make comparisons of value. According to the United States Census Report of 1900, the entire capital invested in the steel industry in 1899 was

\$590,530,484, and some of this was fictitious and charged as actual money. The entire steel output of that year was \$804,034,918. It was produced in 669 establishments, with 227,687 workers. In that year double the weight or quantity of steel was delivered for a dollar, because prices were then about one-half, and therefore double the capital was required in 1889 to produce a dollar's worth of steel. The total capital employed to produce the output of steel in 1889 was 73 1-2 cents per dollar's worth. But in comparison with the quantity of steel delivered for a dollar in 1902 this amount should be cut in two, and the capital to produce a dollar's worth of steel in 1902 should be only 37 cents. In 1902 the Steel Trust delivered steel products, at doubled prices, amounting to \$560,000,000. Therefore the actual capital of the Steel Trust ought to be \$207,200,000, based upon the real and fictitious capital existing in this country's steel industry in 1899. In view of this being the proper amount of capital for the Steel Trust, the payment to Andrew Carnegie ought not to have exceeded \$60,000,000. Then the American people would have been better off by paying for their own libraries and in a better frame of mind for using them. The people would have willingly put his name on them had he been just to them.

Andrew Carnegie's correspondence shows that he knew that the makers of the Steel Trust were not handling their own money or their own property, and that with their feeble steel plants, loaded with mortgage bonds and bogus capital, they were in queer street, and never would get out, unless the Carnegie competition could be suppressed. Then he demanded and obtained double the money, for which he was an anxious seller, in the previous April. In this manner how natural that millionaires are grown like mushrooms, collaterally with magnates most costly than any known Emperor, and that at the same time the millions who work are so bled by the

millionairing and emperoring process that their struggle to live and their desperation of want are increasing year by year. The charges of all the absentee landlords of Ireland for their land are everywhere claimed to be the cause of the blight and suffering and the hindrance to trade and commerce in that country. All that the absentee landlords of Ireland ever took for their land was less than ten million dollars a year, but Andred Carnegie has arranged to take, with the certainty of the rising sun, for all time, more than ten millions a year from only one of the industries of this country in excess of that which was due.

Shylock was despised for demanding an equivalent for his ducats, but how much more despicable would he have been had he secured millions of dollars a year for steel plants for which no equivalent was delivered? An interesting inquiry arises, Is it honorable to grasp all we can, without consideration for others, especially when it means a direct appropriation from the millions of our countrymen, whose hardships must thereby be increased and often made intolerable to bear? If it is, then it is honorable for a President of the United States to plunder, for a boss to be in politics for his own pocket, and for a politician to be corrupt.

The geologic activities of the earth produce mountain and valley with as much solicitude and emotion as some of the human species acquire unearned riches and create undeserved poverty. Mutual aid in four-footed animals is often demonstrated more than by bipeds. Even in rats we see beautiful examples of mutual aid, and it is not recorded that one has ever struggled to huddle into a corner vast supplies for which its species were starving, sometimes unto death.

Under conditions like these the growth of the poor class is enormous, and the advance of the rich class is

gigantic. The wealth soon swallows up the others. This is shown by the history of Rome. The wealthy class of Rome used its wealth to corner more, until all were enslaved who were not wealthy. The vast wealth of Rome was ultimately cornered by a comparatively few families, and the others became servile slaves, to minister to indolence, luxury, and ostentation. The great revenues were sufficient to cover Italy with magnificent edifices, but only to people them with degenerates. All had become so enervated, the one by wealth and the other by servility, that the nomad population which skirted their borders became their superiors and then their masters. Later, when the feudal over-lords allowed the Roman people to work on the soil, the terms were three days' service a week, without wages. This is vastly inferior to the terms of the industrial over-lord who acquires control by bogus capital charged as real money, and then demands double prices, and gives fifty cents' worth of commodities for a dollar. It is not to be supposed that the upper classes of ancient Rome, who were degenerated by indolence and wealth, as well as their inferiors, were not of superior origin, or because they were strangers to law and the arts. Their physique and physiognomy, their intelligence and culture, were of a high order, and would favorably compare with the best classes of this country.

The wealth of a country may be compared to a loaf of bread. The size is not unlimited. When some take more than their share the others must accept less. This explains the existence of vast riches and widespread and increasing poverty in a country of great abundance. When men make imaginary capital and charge it as money to obtain more than their just share of the loaf of wealth, to the extent of more than a thousand million dollars, as with the Steel Trust, then great numbers are at once marched into harder living, into more poverty, and often into ab-

ject want. In the loaf of wealth there is only so much for all. The more that is taken for nothing the less must be accepted by those who do something to earn it. The more that is taken for bogus capital, the more will be the number of the poor, and the more must the worker work, and less must the worker receive.

The people of Detroit have shown a commendable nobility in refusing Andrew Carnegie's money extracted from the people of the steel industry, as well as from all the American people who spend dollars, because he has made the dollar buy less. Were the same methods applied for taxing the British steel industry forever, the British Parliament would appoint a commission of investigation, and that result would be more than inconvenient.

Carnegie preaches the doctrine that the rich are the trustees of the poor. Would it not be better to have done justice to them by giving them wages which are not the price of blood, such as we saw at Homestead, and as described by John Redmond in his letter to the Irish Emigration Society. John Redmond says: "I have seen the Irish laborer in the great steel works. I have seen him working like a white slave, stripped almost naked, at the furnace, working ten and twelve hours a day, and sometimes sixteen hours, for a dollar and a half. When it is remembered that a dollar in America will not buy more than twenty-five cents will buy in Ireland, you should think whether a dollar and a half is worth such slavery." The facts show that Andrew Carnegie has squeezed the people and made human machines of them, and with the proceeds he is posing as a picture of philanthropy with the ostentation of an Emperor. What is more natural than that all that Andrew Carnegie took for nothing by the doings of the Steel Trust, and by grinding the people at Homestead out of the people's grist mill, that children and women, as well as the men, with their wan and hag-

gard faces and underfed and ill-clothed bodies, must be forced in to grind and make up for it?

The causes of great wealth and widespread poverty are simple. Wealth consists of all things in a country which possess a value, for which other useful things of value can be exchanged. The wealth of the United States consists of all its resources, of farms and all their different properties, such as land, buildings, machinery, live stock, and products; railroads, with their equipment and properties; industries, with the capita, land, buildings, machinery and products; buildings and land, ships, fisheries, forests, mines, and quarries, and all belonging to them which have an exchangeable value as well as money. When one man grasps the power and uses it without the restraints of just laws to grind the people for low wages, the people become emaciated and impoverished human machines, with their best instincts ground out of them, while the man becomes rich, and usually rich unto demoralization. Formerly riches were obtained by industry, thrift, economy, and honest trading for equivalents. By the absence of restraining laws and preferences for the men who have acquired riches, or who will share their plunder, riches are mostly acquired by scheming, and in the United States mostly by scheming bogus capital stock and mortgage bonds as charges forever upon the country's resources, and then getting real money for them.

The severe hardships in getting a living produced by men grasping enormous slices of the country's wealth, are increased when the monetary proceeds are spent upon extravagant ostentation in foreign countries, and upon racing studs, steam yachts, and palatial houses and numerous flunkies at home, and the employment of wealth upon such conceits and vanities are incontestable evidences that wealth is doing a demoralizing work, and often that the men are unfit for it. Augustus Cæsar was great. After

he had conquered all the enemies of Rome, and became the autocratic Emperor of all the Roman Empire, he lived in unostentatious simplicity and occupied a house smaller than that of other Roman citizens, with about one-tenth of the flunkies employed by Andrew Carnegie, extracted blood from the steel industry. We have too much of the bedaubing of mere wealth, and it is more intolerable and offensive because it is so unholy and ill-gotten. Rome fell because of its wealth, extracted for nothing by a few from the people. The wealthy few dotted Italy with palaces, which only degraded the nation and made the people servile, and then all were without the moral stamina necessary to support the Roman nation. Were a people sufficiently moral and conversant with economics, they would petition ostentatious and extravagant wealth to leave their locality, for the public good.

It is impossible for the capitalization of any people, such as has been done with most of the American industries and their workers, to be performed without widespread and far-reaching consequences to the nation. The capitalization of the resources of a people by bogus capital in the best of all means to ultimately produce the industrial enslavement of all who work for a livelihood. It is superior to all other means for producing a class of idle, luxury-using non-producers who have all the vices and few of the virtues of an actual aristocracy. That there is a debt of a vast amount, fictitiously created by bogus capital charged as real money, with yearly charges due to it as if it were created for equivalents of value, means that there are thousands of consuming non-producers, including absentees abroad, who are existing, often in extravagant luxury and indolence, who are equivalent to encumbering paupers, dependent upon the yearly payments made for this bogus debt.

The destruction of the moral fiber of the nation by a

small part of its citizens who are unscrupulous being able to commercially enslave the other larger portion, by acquiring only temporary control of the resources of the country, and pledging them and appropriating the money, by charging bogus capital as real, must naturally produce a class of non-producers, who will disclaim work as degrading and create an atmosphere of class privilege and indolence. This is shown in a marked degree by the number of the population of the United States who are employed in producing the means of the nation's existence. According to the United States Census Report of 1900 the population in that year was 76,303,387. Of this number 57,949,824 were adults. Of the entire 76,303,387 there were 29,074,717 employed in the various occupations of this country. There were 10,381,765 engaged in agriculture; there were 7,055,992 engaged in manufactures and machinery; there were 5,380,657 engaged in domestic and personal service; there were 4,766,964 engaged in trade and transportation; there were 1,253,739 engaged in the professions; there were 581,221 engaged in quarrying and mining; and there were 68,777 engaged in fisheries. According to this report, in the population of the United States, supposed to be the most industrious nation in the world, there are 61.9 persons in every hundred who are dependents and must be provided with an existence by the 38.1 others in every 100 who work. Therefore there are 61.9 persons in every 100 who are idle, or incapable, or too sick, or too young, or too old, or unwilling to work and do their share of moving the Commonwealth along its industrial pathway. When we consider the fact that more than five millions of all the 29,076,387 workers of the United States are women over fifteen years and children over ten years, the industrial conditions of this country are more discreditable and discouraging. If we exclude the number of women and children from the num-

ber of the occupied portion of the population of this country, the workers are only 31 in every 100. In the production of all the industrial products of this country, which amount to more than double that of all our agricultural products, the number of wage-earners is only 9 in every 100 of the population, and in some of these industries, such as the manufacture of cottons, there are more children and women employed than men.

These comparatively few workers in every 100 of the population produce enormously, and must do so in order to support so large a portion of the population which is idle and non-productive. These non-producers tax the products of the country so largely, by higher prices, that the dollar obtains only about fifty cents' worth of products, and owing to the same cause the workers receive miserable wages and receive miserable quantities for their wages, and must work at high pressure for longer hours, although the worker produces so much more than the workers of all other countries.

According to the United States Census of 1900 the average industrial workers of the United States produced in that year industrial products of the value of \$2,450, or nearly five times as much as the industrial products of the British industrial worker. The census states that the average British industrial worker produced only \$500. The average farmhand of the United States was paid only \$64 in that year, and he produced four times as much as the average farmhand of Europe. The average farm of all the farms of the United States is 146 acres, and the entire average production of all such farms in 1900 was only \$656, or less than \$13 per week, for all the products out of which the farmer and his family must live and pay expenses and farm costs. All this is because the farmer in the country, as well as the worker in cities, are under the grasp of bogus capital, and must provide it with divi-

dends. Thus we see how incomparably great is the production of the American people for so little, and yet they are punished again and every time they spend their dollars, because everything is taxed by bogus capital, and dividends are unavoidable for it so long as it is not extinguished. The wages of the wage-earner, and the farmer, and all the others who are not in the bogus game, are not only squeezed by small payments, in order to provide dividends for an imaginary capital, but when they use their payments to buy with they get as little as can be enforced, in order to provide dividends for other capital which is only imaginary.

When 61.9 in every 100 of a nation's population do no producing, and do all and more of their share of consuming, and some consume extravagantly, the other 38.1 in every 100 of the population must work more and do with so much less. Were every one of these 69 in every 100 in the United States who are not too young or too old, or too sick, classed as imbeciles, and had to be provided with suitable asylums, the affliction thereby upon the nation would be great. But as the facts are, the affliction of the nation is considerably worse. When a large portion of the population misappropriate the people's resources by charging bogus capital as real money, and then squander the proceeds in extravagant luxury and indolence, they are worse than the cost of imbeciles to the nation. This large proportion of non-producing dependents so created are equivalent to parasites upon the workers. They exist in the same proportion in none of the countries of Europe, nor in any other country of the world which has a record. Every country, even those with their nobles, aristocrats, hidalgos, gypsies, and beggars, have a larger proportion of workers than is recorded in the United States Census Report of 1900. If an aristocracy is distinguished by its ability to disclaim work, then the United States has more

aristocracy in every 100 of its population than any other country. When we observe that in the 38.1 in every 100 who work are included hundreds of thousands of children of the age of ten years, as well as of women over the age of fifteen years, and that every one, on an average, including the children and women, have to maintain nearly three other dependents, and some of them consumers in such large proportions, the human fiber seems to fall apart.

Cardinal Gibbons and other Catholic clergymen of this country have written to the Irish Emigration Society urging the Irish not to come to this country, intended to be for the ideal abode of mankind. Cardinal Gibbons says: "I know under what circumstances people live in America. My advice to the young men and women of Ireland is to endeavor to find a livelihood in their own Ireland." Bishop Luddon, of Syracuse, writes: "I would like my voice and my advice to reach every young man in Ireland, if he can possibly find a decent living at home to stay there." It is not because the resources of the country are too poor; they are the richest of all countries. It is not because the people are not industrious; they are the most industrious and productive of all countries. It is not because the machinery is inferior; its output in value for every dollar of actual cost exceeds that of all countries. The cause is that all is taxed so enormously to support the most numerous and costly, luxury-using and wealth-wasting idlers of all countries, and this cannot be done by so few workers without driving them like mules in a coal mine, for starvation conditions, and nothing will remedy these inhuman conditions but the extinction of the bogus capital stock.

Only one country of Europe approaches such conditions of indolence as exist in the United States. In Spain there are thousands of *hidalgos*, saturated by the influences of

centuries of indolence and pride, including 30 adults in every 100, who have no visible means of existence, and yet the workers in that benighted country number more per hundred of the population than in the United States. The workers of Spain number 41.6 in every 100 of its population. In England, Germany, Russia, Austria-Hungary, there are nobles, aristocrats and others who pride themselves upon being able to disclaim all work by means of old inheritances. But these countries and France, Belgium, Italy, Switzerland, Holland, Norway and Sweden, have a larger proportion of workers in every hundred of their population than the United States. In England, with its large aristocracy and land-owners of private estates, the workers number 46.8 in every 100 of the population. The workers in Germany number 46.1 in every 100 of the population. The workers in Austria and Hungary number 50 in every 100 of the population. The workers of Canada number more than 50 in every 100 of its population. Canada has 11.9 more workers in every 100 of its population than the United States, which largely explains why the exports of Canada are nearly \$80 per head of the population per year, while the exports of the United States are less than \$30 per head of the population per year.

The few workers and the many indolents in the population of the United States disclose remarkable conditions of society in the modern Republic, founded to be an exemplary democracy. This fact explains the existence of the great privations and want in the midst of incomparable abundance which we see in American cities. It directly shows the effects of the rampant Trust system which takes vast sums of money from the people by means of bogus capital charged as real money, taken for nothing. This enables numbers of men and women, with their retinues, to live in luxury and indolence at home and like royal

princes abroad. Were the United States in possession of a nobility more numerous than ever existed in any European country, or were it an old crumbling nation, steeped in old traditions which looked upon work as ignoble, these conditions of indolence would be natural. But the United States claims to be a model democracy of the people, built for the people, for the good of all. When we see 61.9 of every 100 of the population are outside the pale of all work, we have incontestable proof that in its national composition there are elements of disease in large and unexampled proportions common to the worst instincts of nobles, aristocracy, hidalgos, and other such burdensome incumbrances, which have always made oppressive burdens by appropriating more than their own, which the people of the country must carry and endure. Wherever these unjust conditions exist, facilitated and developed largely by a tariff law which protects the making of high prices, the workers must work more and the children and the women must be called in to provide for the many who play and take so vastly for nothing. Wherever there is much extravagance and indolence there must be extra privation and pressure of work, to make up the difference. Wherever there is luxurious living in large measure there is always privation and suffering, as well as poverty and overwork. The more who indulge inordinately in luxuries and in indolence, the more the working people who support them must grind and endure, and by less eating, less clothing, and worse housing, adjust the balance sheet with those who use in excess. When the idler is an actual capitalist, providing actual money, or other representations of value, which is saved labor, for the genuine purposes of capital, he then does his portion in the producing economy, and is justly obtaining the earnings of his saved labor. But it is altogether different when a man imposes bogus capital as real money, and then

creates a family of indolent dependents upon the dividends perpetually demanded for the bogus capital.

The number of workers in every 100 of the population demonstrates the efficiency and well-being of a nation. Neither Athens, Rome nor Venice had a good proportion of workers. They failed ignominiously by indolence and luxury, as all other nations have fallen. The more the workers in a country, the smaller is its idle class, the smaller its commercial disease, and the more wholesome and vigorous is its political life. That such unwholesome conditions can exist in a country which claims to be a model Republic is explainable only by the absence of fidelity and good faith in those to whom the American people have entrusted government.

Pizarro, the Spanish general who conquered Peru, declared to Atahualpa, the King of the Incas, that he could have his freedom if he would only fill Pizarro's room with gold. To the surprise of Pizarro the gold was produced and the room was actually filled, but Atahualpa never regained his freedom, and was killed by the order of Pizarro.

In a room ten feet square and ten feet high, when filled with pure gold, there would be more than three hundred and eighty-five million dollars. Were Pizarro now the conqueror of the United States as he was then of Peru, he would have demanded the earnings of the promoters, organizers and underwriters of the United States Steel Corporation, although their services were not worth a cent to the steel industry, and then he would have been enriched considerably more than by double the number of gold dollars which he obtained from the room which was filled by Atahualpa's gold.

In France, in the time of Louis XIV, there were no steel industries, and the other industries were comparatively small. The wealth of that time consisted mostly of land and its products. The exactions and plunderings by

the nobles had developed into scandalous proportions during the reigns of the previous monarchs, but insignificant compared with the amount of the plunderings of this country's resources in these days by Trust-makers. In 1667 Louis promulgated an edict which declared: "Every one has taken lands according to his powers. Imaginary debts have been created in order to seize upon the lands." It is a remarkable fact that in present and past history beneficent laws have been enforced more under monarchies than by republics. Louis made severe examples of the men who had seized upon lands by means of imaginary debts. How apt would the same edict be were it applied to Trust-makers who have taken industries, railroads and other resources of this country by means of imaginary capital charged as real money. Louis XIV, with all his faults, never would have allowed stock-jugglers to enslave the steel industry and railroads by creating thousands of millions of dollars of imaginary capital and charge it as actual money upon those resources upon which the people depend for their existence and well-being.

Louis XIV was extravagant, and he was so with money which he obtained by taxing the French people, just as the Trust-makers are extravagant now by taxing the American people, only in vastly larger proportions. Louis spent one hundred million dollars upon the building of the palace at Versailles, and he little knew that he was then sowing the seeds of the French Revolution, which would destroy his dynasty and emancipate the French people from serfdom into freemen, and into the possession of their alienated properties. But in comparison with all that has been done with the steel and other industries of the United States, whereby the prices have been doubled, and the wages of the steel workers reduced, in order to provide dividends for imaginary capital charged as real money, the extravagant taxation and spending at Versailles was

as nothing. The men who created the Steel Trust, without the profits of their other trust-makings, lined their pockets with peculated gold dollars which would have built ten such palaces as Louis built at Versailles. But had ten such palaces been built in the United States by the proceeds of the appropriations out of the steel industry by the making of the Steel Trust, they would have been unproductive, like most of the money peculated from the steel industry, and would have produced no more enrichment of society than if the money were devoted to riotous living. They would have given work to thousands, but like a coat made for a non-producer, the work would have been unproductive. But even this would be vastly better for the American people than devoting the proceeds of bogus capital to flunkies and castles in foreign countries, for then the earners acquire no advantage whatever.

Louis XIV obtained his money by bleeding the French people by direct taxation. When he wanted money an edict went forth with all the omnipotence of a modern Trust when it puts up prices and puts down wages, and at one stroke makes dollars buy less and gives the wage-earners less dollars to buy with. The methods of bleeding the people by Louis, by which he commenced the dethronement of his race, were never so effectual nor so far-reaching, nor so ingathering, as those of the American Trust. Louis wanted his blood-money for his methods of government, and he openly declared this to the French people. The American Trust-makers bleed the American people mostly to make schools of millionaires and to found modern aristocratic families, which can gambol in indolence and disclaim all work, and be notorious for consuming, if not destroying inordinately. Louis believed that his title to bleed was founded upon a noble heritage, as well as divine right. American Trust-makers found their right to their great bleeding process by juggling bogus pieces

of paper, called capital stock, and then charging them as actual money, upon the very resources of the country by which the American people and their descendants hope to live and enjoy their being.

The American Trust-makers bleed the American people by indirect taxation, by which, whenever dollars are used, so many cents are seized for the dividends for the imaginary capital, and this process of bleeding so mystifies the American people that they believe the operation is done for their special benefit by a captain of industry, whereas it is a monster stock-juggling, blood-drawing accomplishment. The tax-gatherer never calls for large sums, and his calls are seldom. The Trust-makers of this country have so arranged their taxing scheme that whenever an American eats, or drinks, or clothes, or rides, or smokes, and in nearly all the other operations of life, that dividends for the imaginary capital shall be provided with unerring certainty, as well as in large measure. Sometimes the dividend provision is at the rate of fifty cents upon the dollar, as with steel and beef, and other necessities of life.

Louis XIV was very jealous, especially when any of his nobles made imaginary charges upon his provinces. But one set of Trust-makers have made imaginary charges upon the steel industry which amount to more than the actual value of all the farm property, including all their belongings, of twelve States of the Union, and considerably more than all the invested capital in these twelve States. In other words, the unreal or fictitious charges trumped up and charged to one industry for private purposes have been considerably more than the real invested capital in twelve States.

According to the United States Census Report of 1900 the following twelve States, Arizona, Delaware, Idaho, Maine, Utah, Montana, Nevada, New Hampshire, New

Mexico, Rhode Island, Vermont, and Wyoming had altogether, in 1900, farm property of the value of \$903,000,000. This farm property comprised all the farms and their improvements, buildings, machinery, implements, and all their live stock. But the imaginary capital charged to the steel industry was considerably more than this amount, and considerably more was appropriated for nothing.

This nefarious system of misappropriating the money derived by pledging the resources of the country, and so disabling them for good and proper work for the American people, is now so interwoven with the fiber of finance, as well as of politics, and the rewards are so easy and enormous, that often our youth look forward to it, as honorable men look forward to the emoluments of an honorable profession. By it the dreams of avarice are satisfied with small effort and often without cost to themselves, but at a terrible expenditure to the future well-being of the nation. Depravity is now the core of successful finance, and political boodlism often plays an important part in the programme. But for the unfaithfulness of the members of Congress and of the State Legislatures, depraved finance would be impossible. Prominent lawyers are so closely connected with Trust making, and can so easily be enlisted not to oppose, that no help from them can be expected. Lawyers are necessarily interested in defective laws, just as the meat-packer is interested in the bulk of the cattle being large when he pays for them per head. The profession of the law is supported by the dishonesty of mankind, and as the standard of integrity falls the emoluments of lawyers increase. It would never be for the interest of lawyers to have perfect laws which promote the honesty of mankind, for then their employment would be reduced enormously.

All this plundering can proceed, but it means inevitable

ruin ultimately. At every step of its progress the thralldom and punishment for all who are not in the middle of the swim, especially for those who are not rich, as well as for all who work, is gradually being completed. It is to be deplored that politicians are often made passive, often disarmed by the large donations of Trust-makers to both political parties at election times, whereby the Trust-makers purchase immunity from punishment for great crimes.

HOW TRUST-MAKERS MAKE HIGH PRICES AND MAKE DOLLARS WORTH FIFTY CENTS.

The best of governments is that one which so fosters the economies of the nation, and protects the weak and poor from the graspings of the powerful rich, that the people can obtain the most for their dollars.

Every government which makes laws to protect the making of higher prices in order to enrich a rich class makes hardship and poverty for the others, and that government is an enemy of the people, because its object is to make them get the least for their dollars.

The first duty of a government of the people, for the people, will be to undo all the measures of the higher-price governments, in order that the people can get the most of the necessities of life for their dollars. Then higher prices will not provide dividends for bogus capital.

In a country which has an abundance of the best of raw materials and the best of labor and machinery, which, in combination, produce more for a dollar than in any country of the world, laws which protect the making of higher prices are not only uneconomic but an injustice to the people.

There is an inseparable relation between the prices for the necessities of life in a country where they are abundant—like the United States—and its government. Prices for the necessities of life are an infallible barometer of the quality of the government and of the privileges it grants to a few, to acquire riches for nothing. Low prices for the necessities of life and much for the dollar mean well-being and contentment for the people. High prices and little of the necessities of life for the dollar mean bad government; mean privileges for the few and riches for nothing, and increasing poverty and hardship for the many. The best evidence of a bad government is higher and higher prices for the necessities of life, resulting from increasing and increasing privileges for the few, whereby they get riches for nothing, and the many have to make up the difference by increasing sacrifice and work. The

more a government winks or trades in the deal, the worse and more infamous and poverty-making is that government.

The more men are allowed to "grab," the more must the other men of the nation work and suffer, in order to make it up, and the more must the women and children be called in to suffer and work. Every grab, or the taking of the country's resources by an emperor, by a politician, or by a trust with its bogus capital charged as real money, means higher prices; means that the dollar will buy less, and means less food, less clothing, worse homes, worse home life, as well as deteriorated men, women and children.

THE cost of the necessities of life are of the first importance to a nation, as well as individuals. When the buying power of the dollar is largely reduced, the individual life and the home-life, as well as the national life, are deteriorated. The poor are thereby made poorer, the home-life is more scant, and then citizenship is degraded. The same cause produces the same effects with a nation. The first effects are seen in diminished consumption of products at home, and then in reduced exports of manufactures for abroad. For how can the people, with a limited number of dollars, buy as much when prices are about doubled, and how can manufacturing industries compete in foreign markets when the prices are prohibitive? The inevitable consequence would sooner or later disorganize trade and commerce, first to the work-people, then to the unwary investor, and later the calamity becomes widespread.

The Treasury Department of the United States Government regularly issues the wholesale prices of the principal articles of trade for each year. The wholesale prices of twenty of the most important, forming the necessities of life of the American people, were 58.6 cents on the dollar less in the year 1895 than in the year 1902. In other words, the same quantity of the same necessities of life could be bought for 100 cents in 1895, which in 1902 could not be bought for less than 158.6 cents.

The different articles and their wholesale prices in 1895 and in 1902, with their respective increases, are the following:

ARTICLES	Wholesale Prices 1895	Wholesale Prices 1902	Increase in cents on the dollar
Oak leather, per lb.....	\$.27-\$.28	\$.31	33
Bessemer pig iron, per ton...	10.00- 10.20	22.75	123
Muckbar iron, per lb.....	1.10	.02.10	90
Steel billets, per ton.....	15.00- 15.25	34.00	123
Furnace coke, per ton.....	.90	2.25	150
Raw cotton, per lb.....	.05 $\frac{1}{8}$.08 $\frac{5}{8}$	41
Refined petroleum, per bl...	5.70	7.40	33
Wheat, per bushel.....	57 $\frac{1}{2}$.91	38
Corn, per bushel.....	.51	.70	37
Oats, per bushel.....	.32 $\frac{3}{4}$.52	62
Lard, per lb.....	.05.60	.10.40	85
Tallow, per lb.....	.04	.06 $\frac{3}{4}$	69
Beef, per bl.....	10.30	16.00	55
Pork, per bl.....	9.00	18.25	102
Standard granulated sugar.			
per lb.....	.03.74	.04.46	19
Wool, Ohio fleece, per lb....	.17 $\frac{1}{2}$.25 $\frac{1}{8}$	42
Tin, Straits quality, per lb..	.13.40	.28.30	111
Lead, per lb.....	.03.05	.04	32
Zinc, per lb.....	.03.27	.04.42	34
Tin plates, Bessemer, per lb..	.03.60	.04.20	17

The foregoing wholesale prices are confirmed by the different trade periodicals of the different years. With regard to retail prices it is difficult to go backward and accept the unwritten reports. When estimating prices the wholesale are more reliable than the retail, because the former are more regularly and officially preserved. The experience of a number of men and housewives has been obtained, and they state that prices at retail in cities for many of the necessities of life have more than doubled within the past seven years. It may be fairly assumed that the retailers' prices have increased more than the wholesale. The report of the Anthracite Coal Miners

Commission states that the retail prices in the mining districts of Pennsylvania have increased thirty cents on the dollar between 1900 and 1902.

The foregoing articles are needful for food, clothing, housing, and for transporting and utilizing the essentials to live, and they enter into the everyday life, more or less, of all the people of the United States who spend dollars. Neither scarcity of raw materials, excepting tin, nor diminished sources of supplies, nor impaired means of production, nor shorter hours of labor, nor inferior machinery, explain these increases in the prices. On the contrary, supplies have been abundant, and it may be generally stated that the average costs of production of the foregoing twenty articles, which so largely form the necessities of life, are by means of labor-saving appliances and other utilities, lower than ever known, and that the average costs of them were considerably less in 1902 than in 1895. Were there any dearth of supplies of these commodities it would be reasonable to expect that England and other foreign countries, not so naturally provided with them as the United States, would be sufferers by higher prices in a greater degree. But not only was there no dearth of supply, but the average increase in prices of the principal commodities which form the necessities of life were in England, France and Germany increased less than two cents on the dollar between 1895 and 1902. In England the prices of commodities in 1905 were so much less than in 1880 that one dollar would buy as much in 1895 as 143 cents would buy in 1880.

The British Board of Trade report, issued by the British Government in 1903, states that the price of the best bread, made from the best American flour, was sold in London for two and a half cents, which are sold in the cities of the United States for from five to eight cents. Also, that the best refined sugar was retailed in London

in 1902 for three cents, which was retailed in American cities for five cents, and that a good habitable room is rented in London for five dollars a month, two rooms with modern conveniences for six dollars a month; and that three such rooms are let for seven dollars a month. Jacob Riis has publicly stated that one small room, without air or light, except by the doorway, is rented in New York City for eight dollars a month. The same report of the British Government states that the quality and quantity of coal, equivalent to the anthracite coal of Pennsylvania, is sold in London for nine cents, which is sold in Philadelphia for twenty cents. The supplies of sugar, of bread, of coal and house rent, and the other necessities of life are not more plentiful in England than in the United States. They are actually less plentiful in London, and the supplies are vastly greater in the United States than in England, but wrongful means have been employed in this country to make higher prices.

The increases on prices in the United States are not confined to the necessities of life. They permeate the entire framework of the trade of the country, and from the bottom, reckoning from the year 1860, when the charging of bogus capital upon the country's resources commenced, it is a conservative statement to declare that prices generally have been doubled. In the lawsuit, *Wormser vs. The Metropolitan Street Railroad of New York City*, in June, 1903, President Vreeland made the sworn statement that his company had paid increases in prices for railroad supplies, varying up to 80 cents on the dollar, within the last five years. In the yearly report of the New York Central Railroad, of June 30th, 1903, the increases in operating expenses for the year were \$6,701,909, "owing to the constantly growing cost of materials and for supplies for improvements and renewals." Numerous examples could be given to show the enormous

increase in costs of nearly all the articles of commerce of the United States. The cause is easy to find.

During the five years of 1899 to 1903, approximately twelve thousand million dollars of bogus capital was charged upon the means of production of this country, besides bogus capital which was charged to railroads, and charged as real money, when there were only about two thousand million dollars of the country's industrial resources to be incorporated, supposing that all the industrial resources of the country were intended for incorporation into stock companies. In the census of 1900, 60 cents of every dollar of the country's means of industrial production were then under the control of stock corporations. According to the same census, all the capital invested in all our industries for land, buildings, machinery and implements, without cash, was only 5,020,000,000 leaving only about two thousand million dollars to be incorporated, supposing that all were put into capital stock and mortgage bonds. But all the industrial resources of the country have not yet been incorporated, and yet the capitalizations have been increased about seven times, without including any amounts for mortgage bonds, which often have exceeded the costs or values of the properties.

The foregoing is a simple explanation of the real cause which increases the prices for products in our country, and explains why the exports of manufactures and the existence of a merchant shipping and reasonable prices for the necessities of life are impossible. But the same system has been used to enslave the country's resources for fifty years. We could fill our pages with the details of bogus capital charged as real money upon the resources of the country, upon which the nation is dependent for its very existence. In 1902 the capital, mostly bogus, charged by the Steel Trust to produce a dollar's worth of steel products was \$2.67, but in 1899, before the Steel Trust

was created, the capital required to produce a dollar's worth of steel products, by all the different establishments of the United States, was only 73 cents, and then twice the weight of steel products was delivered for a dollar, meaning that double the capital was necessary to produce a dollar's worth then, and in 1899 there was considerable bogus capital in the steel industry charged as real money. Thus we see that a hundred dollars' worth of steel delivered by the Steel Trust would weigh one half of the hundred dollars' worth delivered in 1899, and yet the capital charged by the Steel Trust to produce a hundred dollars' worth of steel products was \$267, while the capital to produce double the quantity of steel products by all the different establishments of the country in 1899 was only \$73. Independent of the economical developments in the manufacture of steel, the capital to produce the weight of steel delivered for a dollar by the Steel Trust, its actual capital to produce a dollar's worth of steel products ought to be less than 30 cents, instead of \$2.67.

The charge to produce a dollar's worth of locomotive products in 1890 was 80 cents, which was fictitiously increased to \$1.17 in 1899, and again increased to \$3.25 in 1902. Thereby the rate for capital was increased from \$1.00 in 1890 to \$4.00 in 1902.

The charges for capital to produce a dollar's worth of shipbuilding products were in 1850 31.72 cents, which were fictitiously increased to \$1.03 in 1899, and reincreased by the Shipbuilding Trust to more than \$4.00 in 1902, thereby increasing the rate for capital from \$1.00 in 1850 to \$11.90 in 1902.

The charge to produce a dollar's worth of agricultural implements products was 54.5 cents in 1850, which was fictitiously increased to \$1.55 in 1899, and refictionized again in 1902 to \$3.10, thereby increasing the rate for

capital from \$1.00 in 1850 to \$2.57 in 1899, and to \$5.50 in 1902.

The charge to produce a dollar's worth of all the textile products was, in 1880, 75 cents. This was fictitiously increased in 1900 to \$1.13, and thereby the charge for capital was increased from the rate of capital from \$1.00 to \$1.50.

The charge to produce a dollar's worth of manufactured cottons was 71 cents in 1870. This was fictitiously increased to \$1.38 in 1900, thereby increasing the rate of charge for capital from \$1.00 to \$1.94.

The charge for capital to produce a dollar's worth of manufactured woollens was 59 cents in 1880 and 99 cents in 1900, increasing the rate of charge for capital from \$1.00 to \$1.69.

The charge for capital to produce a dollar's worth of lumber products was 69.08 cents in 1850 and \$1.08 in 1900, thereby increasing the rate for capital from \$1.00 in 1850 to \$1.56 in 1899.

The charge for capital to produce a dollar's worth of glass products was 73 cents in 1850, which was increased to \$1.09 in 1899, thereby increasing the rate of charge for capital from \$1.00 in 1850 to \$1.49 in 1899.

The charge to produce a dollar's worth of paper products was 71 cents in 1860, and \$1.31 in 1900, thereby increasing the rate of charge for capital from \$1.00 to \$1.84.

The foregoing show only a small part of the fiction which exists in these industries. There were increases of bogus capital since 1900, and many of these increases of capital are not included in these figures.

It will be seen by the American people that when the country's resources are charged with bogus capital as real money the country's means of producing commodities are debilitated and enslaved, and so long as such fictitious charges exist they never can do justice to the people by

giving 100 cents' worth for a dollar, and never can compete in the world's great markets with our manufactures, and never can do justice to our farmers who produce our food stuffs, while for transportation and every other thing they do not grow, they are blackmailed to provide dividends for a bogus capital.

When we see that in 1899 the capital required to produce double the weight of steel products for a dollar was 73 cents, and that in 1902 the charge for capital by the Steel Trust to produce half the weight of steel products for a dollar was \$2.67, in order to provide dividends for bogus capital, is it not more than natural that the prices for steel products were doubled, and that the steel-workers were reduced in their wages? The system which would make bogus capital would as readily make grinding machines of human beings. Is it not natural that with higher prices for steel products the demand for them was prohibited, and that steel works had to close, and that steel-workers had to be thrown on to the streets? When we see the charge for capital in shipbuilding is increased by bogus capital stock from 31.33 cents to produce a dollar's worth of shipbuilding products in 1850, to \$1.03 in 1899, and to \$4 in 1902, is it not natural that the merchant shipping of the country has been nearly extinguished, and is it not a crime that the Higher Price Government proposes to take out of the people's treasury to give a subsidy of \$4 per ton of each ship loaded with bogus capital stock, in order to provide it with dividends?

Whenever an American industry can be found which is not infested with bogus capital, it is superior to that of the same in all countries. For example, the shoe industry has a charge for capital to produce a dollar's worth of shoes of only 38 cents, and consequently, it is without a rival in any country.

Statements are frequently made that the payments made

for wages are the cause of the general high prices of the necessities of life and other commodities in this country. No statement could be less warranted. No wage-earners in any country, in either agriculture or manufactures, produce so many dollars worth of output per dollar of wages. The United States Census of each decade, which are so authentic because they are disinterested, show the wages paid to the men, women and children in the different industries, and the average is at first incredible. In the different industries of the United States in 1900, with 512,254 establishments, and 5,308,406 wage-earners, the wages paid to the men were \$9.88, to the women \$5.40, and to the children \$3.20 per week, and these rates exclude all the lower wages paid to men, women and children in the industries of the South. These are the average wages of all the industries, excepting those of the South, which are considerably lower. By average wages means that some are more and some are less, and that the mean of all are the wages given.

The payments for wages on a ton of steel rails is \$2, or 7 cents per dollar of the selling price of \$28. The cost price of a ton of steel rails is, according to C. M. Schwab, less than \$12 per ton, including wages. Bogus capital obtains upon a ton of steel rails about 50 cents on the dollar of selling price, after allowing for all manufacturing costs, freight \$1.75 per ton, commission for selling 50 cents, and 10 per cent. interest upon real capital, 60 cents. The payment for a ton of labor on a ton of steel billets is \$2, or 6 cents on the dollar of the selling price in 1902. In 1902 the selling price for steel billets was \$35 per ton, and in 1895 the selling price was \$15 per ton. In 1902 bogus capital received 70 cents on the dollar of selling price, and more than \$20 per ton upon actual cost. Thus we see that bogus capital and its accessories

have been taking more than 100 cents of the dollar on the cost price.

According to the census of 1900, the coke workers have been receiving \$1.30 per day, or \$7.80 per week, and they were reduced 17 cents on the dollar of their wages in 1903, although the price of coke was 90 cents per ton in 1895 and \$2.25 per ton in 1902. Therefore, coke was increased in price 150 cents on the dollar, and wages were reduced 17 cents on the dollar.

According to the census of 1900 the workers in sugar refineries were paid \$9.60 per week to the men, \$4.24 per week to the women, and \$3.03 per week to the children. Were the wages of the men increased in proportion to the 74 cents on the dollar increase in the price of sugar in the United States above the price which the same sugar is sold for in England, the wages of \$9.60 per week would be more than \$17 per week. In other words, were the necessities of life reduced by 74 cents on the dollar, less than \$4 would buy more than \$9.60.

The American people should discard these misrepresentations upon the wages paid to the work-people, because, if they were considerably more than they are, they would have a diminutive general effect upon the costs of production, or upon the costs of commodities, or upon the volume of trade, in comparison with the enormous charges for bogus capital which so largely exists upon the means of production and distribution of this country.

Were Americans to address themselves to the economics of labor they would see that wages are the most important factor for enabling the masses of the people to consume the quantity of the country's products, so as to make the nation truly prosperous, and that bogus capital is the most hindering and oppressive of agents in preventing economical production, as well as real progress of the nation. Were the labor in producing a ton of steel rails free, the

cost of them would be \$10 per ton, and the selling price would be \$26 per ton.

John Stewart Mill, in his "Political Economy," states that "General high wages never cause any country to undersell rivals, nor did general high wages ever hinder it from doing so." Of course, when a tradesman or manufacturer pays higher wages than his competitors, the cost of products must be increased. If the high wages are general and about uniform, the advantage to all is great and more than compensating. With high wages the wage-earner can become a large consumer, and then the general advantage is great. Proof abounds that where wages are high, in proportion to the costs of the necessities of life, the general advantage and well-being are great. And when wages are low, in proportion to the costs of the necessities of life, the general disadvantages are great and the impoverishment of the many is enormous, and the corresponding condition of trade is evident. Russia pays the smallest wages in Europe, and she reaps all the disadvantages of diminutive national earnings and diminutive foreign trade, per head of the population. England pays the highest wages, and reaps the greatest advantages, by enormous national earnings and enormous foreign trade, and a mercantile marine upon which the world is largely dependent. The earnings of the entire Russian people, by their agriculture and manufactures, their mines and forests, their trade and transportation, their rentals of houses and buildings, their domestic and public service, and their receipts from all their professions, were in 1895 less than \$50 per year per head of the population, or less than \$1.00 per week.

The earnings of Germany from the same sources, by high wages, are \$124 per head of the population, and the earnings of the United Kingdom, from the same sources, by still higher wages, are \$180 per year per head of the

population. The United Kingdom, in proportion to the costs of the necessities of life, pays the highest wages of all countries, and per head of the population has the largest of all earnings, the largest production of all manufactures, and the largest foreign trade of all countries. England gives the most physical comfort and greatest well-being for the money. By general high wages and trade freedom, with all the disadvantages of limited natural supplies of raw material, except coal and iron, the productions and manufactures by the United Kingdom amount to \$110 per head of the population, while Germany, with lower wages, has a production of only \$65 per head of the population, and Russia, with the lowest general wages of all, has a production of manufactures of only \$19 per head of the population per year. The foreign trade of these countries illustrates the same economic truth upon wages. The foreign trade per head of the population per year of the United Kingdom is \$83; of the United States, less than \$30; of Germany, \$37; of Russia, less than \$5. High wages are necessarily beneficent to the people, and then to the nation, when other full economies are secured and all fictitious charges are eliminated. General high wages are the food of trade; they mean consumption of products, they lead to demand for larger production. High wages mean trade activity, more factories, the employment of more labor. Low wages mean an impoverished people and small demand for manufactured products, for farm products, for home-making materials, for transportation, as well as for other necessities. Of course, the advantages of high wages are more than negated when fictitious charges for bogus capital take so vastly larger an amount than would be required for real money invested. When perpetual tribute, like interest and dividends for spurious capital, must be drawn from all products by charging higher prices; then all economies become disor-

ganized, and in the end there is economic chaos. The wages become inadequate to buy, and therefore the products cannot be consumed. The prices are so high as to forbid a general use, and for the export trade the high prices are prohibitive. When spurious capital is charged as real money upon the industries, the prices of the products must pay the yearly charges for the spurious capital, as if it were real money. Then the industries are crippled. The same with raw materials, appliances and methods, trade and transportation. When enormous sums are charged for capital which never existed, and when the yearly charges are made upon bogus capital as if it were real money, ultimate demoralization and disaster cannot be averted. When fictitious capital is charged in this manner the payments for wages and for all other essential items cease to be of importance, for then all ideas of economics must be abandoned, and a state of trade chaos is only a matter of time. No compensating advantage, no counterbalancing good can make up for the pernicious and disastrous consequences of charging an industry or railroad or other resources of the country, in perpetuity, for vast capital which was only the creation of a nefarious imagination, for which charge the industry does not, and cannot, receive any benefit. The tirades made upon the hindering of trade by payments made to labor are as absurd as they are untrue. When the charges for capital are actual and legitimate, when they represent actual money and not spurious paper, when the industry obtains an equivalent for all the charges it has to carry and provide for, the prices of the necessities of life will be uninflated, because they have not to include yearly charges for dividends for bogus capital. Then the inaccurate assertions of the hindering payments for wages will be demonstrated. In no period of past history, not in any history, has the worst of governments mulcted trade or oppressed

the people so much or more nefariously than has been done by bogus creations of capital in this country.

Under natural conditions, when all charges are real, when all economies are active, high wages act like fertilizers put into the soil. They enable the country to consume and reproduce, with compound advantageous results. Low wages act like withholding fertilizers. Consequently, production is lessened and the consumption is less and less. In Russia the nobles are able to use double the quantity of fertilizers used by the peasants. In consequence, the nobles reap fifteen-fold for their seed, and the peasant reaps only six-fold. Chinese labor is cheap, but it is of little use to the manufacturers and the farmers and transportation and trade. We have seen thousands of Chinese on haciendas in Peru, receiving a pound of rice with a half pound of meat per day, with wages of a dollar per week, and housed in a hovel unfit for a horse, while the hacendado derived great profit from their labor. But the Chinese needed no manufactures and few other products, and consequently they fostered no trade, and the system collapsed, not because they were not cheap, but because they were economically bad for trade.

A rapidly increasing rich class enriching itself mostly by schemes, which gives riches for nothing, without honest trade equivalents, produces a corresponding impoverishment of the people who do the work, and by the bogus capital class the national life is becoming more and more abnormal, and means that the country is on the road to life becoming intolerable to all who are not rich. This will be more and more apparent as the system is more and more developed. It will be more evident as American products are more and more shut out of foreign markets by fictitiously high prices. As the country becomes more dependent upon its own trade, with wages so small that consumption of products must be limited, the trade of the

country will be diminished, and the disability and impoverishment will increase. When a nation is dependent largely, if not wholly, upon its wage-earners for the principal part of the consumption of its products, how ruinous is the policy of depriving them of the means of buying! How uneconomic for a nation to depend upon its employees for consumption, when the prices are so fictitiously high and the wages are so relatively low as to prohibit them from consuming.

The uneconomic treatment of labor is illustrated by a factory in Connecticut. The manager jauntily says: "I pay the men 15 cents an hour, and as soon as they begin to want more I ship them and get others. We never have any strikes. The labor is plentiful." The manager cares nothing for humanity and forgets the economic side of the question. When these men are paid 15 cents an hour, how can they be useful consumers of the country's farm and industrial products, without which there is no real enrichment and wealth-making? Were better wages paid generally, especially in view of such increases in prices, the benefit all round, including this factory, would be enormous. We have no examples of decayed nations which do not prove that wealth for a few, and increasing poverty for the many, was the principal cause of their decay. When the most of the people are ground down into servility by the class which wealth always enervates, the fiber of the nation must become flabby. The aforementioned factory pays without hesitation, because remonstrance with all monopolies is useless, the excessive charges for transportation to the New York, New Haven and Hartford Railway Company, in order to provide its bogus capital stock with dividends of \$8 per \$100 share every year. This \$100 share of this bogus capital stock has been sold upon the New York Stock Exchange for \$225. No system was ever more uneconomic or illegiti-

mate or more disastrous to the core of a nation than that monopolies of production and supply, as well as transportation, should be allowed to invent all kinds of pretexts to create fictitious charges and then invent other pretexts for continually increasing the market value of the fictitious charges. With regard to wages, suppose Andrew Carnegie and C. M. Schwab, or J. D. Rockefeller and J. P. Morgan were adventurers of labor, as they have been of bogus capital, which has been charged as real money. Suppose that these men were to become more than adventurers of labor, and one were to become the active president and the other the active treasurer of the wage-earners of the Steel Trust, and were to do for these wage-earners all that the makers of the Steel Trust did for bogus capital. Then the president would call them together and address them as follows :

Members of the Steel Workers' Union :

Gentlemen—We have had enough of this bogus capital, charged as real money. We have been giving honest labor for long hours, for small wages. For every ton of steel rails, which costs less than \$12, including wages, which are sold at \$28, we have been receiving 7 cents upon the dollar of the selling price, while bogus capital is receiving more than 50 cents upon the dollar of the selling price, and more than 100 cents upon the dollar of cost price. In other words, we have been receiving \$2 to produce a ton of steel rails, while bogus capital has received \$13. Bogus capital is only a fraudulent pretension to capital, and yet it receives so largely. This bogus capital system is unfair to us. No feudal times ever oppressed so much. These Trust-makers are looking upon us as mules to produce dividends for a capital which never existed. My recommendation to you is, that we make a claim, and unless it is granted, refuse to work. The claim is that labor shall be

put in the same position as bogus capital, and that one thousand million dollars of bogus labor stock is created as a perpetual charge upon the steel industry, and entitled to dividends, just like the bogus capital stock. Then we can sell it upon the Stock Exchange also, and scamper off into millionaire life, and play with racing studs, steam yachts, and palatial houses with flunkies, regardless of the users of steel products, or of the consequences to the nation, or to trade, or to commerce.

We have indicated the conditions of the workers in the steel industry while bogus capital was being created and charged as money in enormous amounts. The condition of the coal workers in the coal mining is worse, and the condition of the workers of the cotton manufacturing is still worse.

According to the report of the Anthracite Coal Strike Commission, in 1901 the average payments for labor to all the men and boys engaged in coal mining in that year were less than 16 cents per hour for every hour of work, whereas the wholesale price of anthracite coal was increased \$2 per ton between the years 1879 and 1902, and the six railroads which control the output of 72 tons of every 100 tons are charged with more than \$500,000,000 of bogus capital stock and mortgage bonds as real money. In 1901 these six railroads, illegally operating a monopoly of the anthracite coal, refused to pay the miners more than the aforementioned wages, and insisted upon charging the miners \$2.75 for powder which cost only \$1. The hard conditions of mining anthracite coal will be understood when, according to the Strike Commission's report, which Commission was appointed by President Roosevelt, 3,821 miners in and out of the mines were killed in the ten years preceding 1901.

The condition of the workers of the cotton industry can be estimated by the following:

The cotton industry of the United States is a specially favored industry. It has the best of cotton workers, for the longest hours, for the least of wages. It has the best of machinery. Its motive power is frequently water, which is cheaper than all others, because its cost is nominal. The raw material is grown in the country. It is specially protected by tariff law, by which it can charge high prices without interference. But nearly all the production of cotton manufactures is under the control of stock corporations, and bogus capital is charged as real money, almost without exception. Consequently, dividends have to be provided for brain creations of capital, instead of being limited to charges for real money. The result has been that although the tariff law protects prices so largely, the imports of manufactured cottons considerably exceed the exports of cotton manufactures. The exports of cotton manufactures were \$33,000,000 in 1902, and the imports were \$39,000,000 in the same year. In the same year the exports of manufactured cottons by England were \$175,000,000. The disabled condition of the cotton industry, for which it needs the protection of a tariff law, and by which it is then unable to export as much of cotton manufactures as are imported, is not due to payments made for wages. In 1900 more than one-half of the wage-earners employed in the cotton industry of the United States were women and children. In that year there were 351,677 women and children, and 288,871 men employed in the cotton manufacturing industry. The average wage paid to the wage-earner in the cotton industry of the United States was, per week, \$6.75 to the men, \$5.12 to the women, and \$2.76 to the children.

Hayes Robbin, Dean of the American Institute of Social Economies, has publicly stated: "I have seen scores of

little people work in the dust and din of the spinning loom, seen scores of others on their way to the mills before daylight, who would not come out until after dark, the hours of labor varying from eleven to twelve; have been in the homes of these people and learned something of how they live and the wages they receive—wages of less than \$1.50 per week. The average in most cases ranged from 30 cents to 40 cents per day, the older children getting the larger sum.”

The Rev. J. A. Baldwin, of Charlotte, N. C., says: “The mother has to get up at 4 :30 in the morning to get breakfast for the day hands, so they can be at the mill at six; she has to have dinner ready for the day hands. The night hands get up and eat from four to five, so as to be ready to go to work for the night at six; she also gives them a lunch to be eaten at midnight. The mills usually run sixty hours a week at night, that is, the operatives work twelve hours from Monday night to Friday night, inclusive, and Saturday get up at two o’clock, before they have had enough of sleep, in order to work at three. Then they work until nine at night; as a matter of fact, it is usually ten or eleven when they get out.

“Night work is much worse in summer than in winter. In the winter they go to bed, cover up and sleep soundly. In summer it is difficult to sleep, because of light, heat, flies and noise. In summer, while they usually go to bed, it is a very familiar sight to see them lying across the bed with their work-clothes on, or on the pallet in the passage, or on the porch. Their sleep is fitful and unsatisfying, and they never feel bright and fresh from the beginning to the end of the week.”

The high prices in our cotton manufactures, which prohibit their exports and reduce the consumption at home, is not owing to the inability of the American people, with the raw material on the spot, with the best of labor and

machinery. It is true that every appliance, and necessity almost, is charged more or less with bogus capital as real money, and that therefore a cotton mill costs about double the amount of the same mill in England or Germany. But about 90 cents of every dollar of our cotton manufactures are produced by mills under the control of stock companies which have more or less of imaginary capital charged as the real.

In the interval between 1870 and 1900 the economies of manufacture, by labor-saving methods and appliances, have so increased that a dollar of capital will produce about double the manufactured cottons. Therefore, the capital in 1900 to produce a dollar's worth ought to be about 30 cents.

How can any reasonable person suppose that the exports of manufactures can be otherwise than dwarfed by bogus capital being charged as real money? In proportion to production, the exports of cotton manufactures, in which, because of the raw material and low wages paid for long hours, we ought to be the foremost of all countries, were considerably less in 1900 than in 1870. In 1870 we exported 17.4 cents of every dollar of our production of our cotton manufactures, and in 1900 we exported only 10.3 cents of every dollar of our production.

The quality and abundance of the country's raw materials, of American machinery and labor-saving appliances, and the quality and quantity of output of American labor, are declared on every hand. The United States Census Report of 1900 states that every industrial worker of the United States produces, on average, nearly five times the amount of industrial products that is produced by the average British industrial worker. In 1900 the average industrial worker of the United States produced \$2,450, while the average industrial worker of Great Britain produced only \$500. With such facts as these

forcing themselves upon the inquirer at every turn, every underfed, ill-clothed and badly-housed worker is a severe condemnation of the United States Government for not giving effect to those laws, and if necessary, enacting others, which will prevent the non-producing, scheming stock-juggler from corraling all the resources of the country under the control of bogus capital, and thereby placing the American worker in the position of getting the least for his dollars of any country of the world. Every underfed worker is using too little farm products and other products, by reason of prices being too high, in order to provide dividends for the bogus capital. Every ill-clothed worker is using too little of our industrial products, and he is prohibited from using them, because a capital which never existed must be provided with dividends. Every worker with a miserable home is using too little of our unused building materials, not because he is not a desirable user, but because they are under the lock and key of bogus capital, which must be provided with dividends before they can be released.

When the workers are impoverished by high prices and wages are not advanced up to them, the consumption of farm products and all other products must be scant, and the general injury to the trade in all the products becomes enormous. The low wages and high prices mean less consumption; less consumption means less demand; less demand means the stoppage of factories and the discharge of the work-people. It is only by production and consumption that the genuine well-being of the nation can be evolved, and these only can create real wealth and well-being for an industrious people. All schemes not contributing to production and consumption can fictitiously increase prices and charges, and may show paper pretensions of wealth, but they are actual incumbrances, no more real than bogus capital.

If products are to be consumed, if trade is not to be stagnant, the people must have the means to buy, by increased wages or lower prices. The producer and the consumer and their auxiliaries make wealth; the bogus capital only encumbers and consumes wealth, and is more pernicious, because more demoralizing and costly, than a number of thieves in a penitentiary.

The export trade in manufactures is so diminutive that it would be inexplicable were there no bogus capital obtaining dividends in the prices for our exports. The internal trade of the country appears large, but it is counted in dollars, and actually every dollar represents only about fifty cents' worth of commodities, because prices have been so advanced in order to provide the dividends for the capital which never existed. When a dollar's worth of products is only one-half, only one-half the labor, one-half the buildings and machinery and transportation are used. Industries, to be solidly prosperous, must produce, not small quantities at high prices, but large quantities at low prices. Then there will be consumers to consume, as well as producers to produce. Whenever the workers receive too little, when supplies are plentiful, means that schemers and non-producers are somewhere taking vast amounts without giving equivalents, and the government which fails to prevent the plundering is culpably negligent; and when a government facilitates the taking of millions of dollars for nothing, by means of bogus capital, which obtains dividends from high prices, it becomes an active accessory to the wrong-doing.

All trade and commerce in all products depend upon their costs. Is there an American ignorant enough to suppose that, were the prices of our manufactures all right, that foreigners would hesitate to buy them?

The British shipping and cotton industries are great and invulnerable, because of their low costs. The French

silk industry and all other strong industries are strong because of their economies of production and distribution, and the elimination of all the fictitious and unnecessary. Every increasing cost is an increase in prohibition for both home and foreign markets. The United States can do all that can be done in any other country, and more, but all its advantages, and more, have been grasped by sets of men who have corraled them for stock-juggling purposes, and then pledged them and left them in debt for vast amounts. The United States can build ships, it can do almost everything that every other nation can, and generally can turn out a larger quantity for a dollar of cost, but because of charges for fictitious capital the shipbuilding materials and the shipbuilding methods, as well as the costs of the necessities of life for the seamen and their families, are increased so much as to be prohibitive, and therefore the United States cannot provide the necessary shipping for its own commerce, and pays about five hundred thousand dollars a day to foreigners for its hire.

Nothing stands in the way of this country possessing the most economical means for producing and providing its people with the cheapest commodities in the world, and thereby enabling them to possess the greatest means of comfort and happiness.

The condition of the United States merchant shipping is the cause of great perplexity and disappointment to Congress and the nation.

It is in the public prints that Senator Frye has declared that the United States pays about \$180,000,000 per year to foreigners to carry American products, which the United States is disqualified from doing for itself. This would appear the greatest anomaly ever presented by commerce. When we see a nation with vast natural resources, in incomparable quality and quantity, almost equal to every requirement; with the best of labor and the best of

machinery, actually outclassed, and unequal, and practically prohibited from possessing a great shipping industry, there must be some exceptional and deep-seated cause. The cause exists in the bogus capital charged as real money. This disqualifies every day the trade and commerce of the United States. When shipbuilding materials, shipbuilding appliances, shipbuilding methods, transportation of shipbuilding supplies, and the necessities of life for the seamen and their families are wanted, charges for bogus capital are included in the cost and prohibit their use. Why is the American nation, with its population of 80,000,000, with all its extraordinary advantages, unable to possess its own shipping? Why is an American ship so rarely seen upon the high seas? The hindrance is not by payments made to labor. The labor and the labor-saving appliances are claimed to be the best in the world, and for the quantity of output per dollar are more and better than the output of all other countries. The payments for labor per dollar of output value of ships were actually less in 1900 than in 1850, when the merchant shipping of the United States was comparatively so much larger. They were 35.71 cents in 1850; were 33.72 cents in 1860; were 32.43 cents in 1870; were 34.54 cents in 1880; were 34.37 cents in 1890, and were 33.22 cents in 1900. When we compare the old-fashioned means of handling shipbuilding with the capital necessary to produce a dollar's worth in 1850, with the labor-saving appliances and modern methods which have been utilized since, it is within the mark to state that the capital necessary to produce a dollar's worth of shipping, under a state of modern efficiency, should be no more than 20 cents, or one-fifth of the charge for capital in 1900, and about one-twentieth of the charge for capital in 1902. In other words, were bogus capital, with all its yearly charges, extinguished, the costs of ships, of their maintenance, would

be so transformed and rejuvenated that the United States could possess the ablest and most economical shipping industry in the world, and the \$500,000 per day which it pays to foreigners for the hire of their shipping would be saved.

In view of the blighting disease which has been made to permanently infest the steel and other industries, and permeate all the trade and commerce, how can we hope for an untrammelled use of steel and other products allied to steel? How can we expect, under these conditions, a development of United States shipping or of a foreign trade in manufactures? That a country like the United States, with its vast resources, with its excellence of human and mechanical means, with its administrative business qualities, should be shut off from all the great consuming markets of the world, except for raw cotton and petroleum, and a temporary trade in food stuffs, and should exorbitantly overcharge its own people for the necessities of life, is becoming and proper only to a nation whose people are stupid and tame.

The percentage of vessels owned by the United States to carry its exports and imports of products was 92.5 tons in every 100 in 1826; 66.5 tons in every 100 in 1860; 35.6 tons in every 100 in 1870; 17.4 tons in every 100 in 1880; 12.9 tons in every 100 in 1890; 9.3 tons in every 100 in 1900; and 8.8 tons in every 100 in 1902. In other words, in 1902 the United States was so incapable, because of high prices, that it was dependent upon the citizens of other nations to find 91.8 tons in every 100 tons of the vessels necessary to carry the imports and exports of its commerce. This deplorable condition of the United States shipping exists with no other of the great commercial nations of the world. All this, demonstrated by these facts upon the state of shipping, could be adduced for nearly every other industry and for nearly all the ele-

ments of which our trade and commerce consists. Every article of trade suffers more or less under the load of charges for bogus capital.

When Americans can trade free from American law, as can be done with shipping, every other American is thrown overboard, because everything is so costly, and shipping and other products of foreigners, costing less, by being free from bogus capital, are given the preference.

A buoyant and public writer upon the condition of the export trade of the United States wrote for publication: "For a firm grasp of the world-wide markets American travelers and American shipyards are wanted." Both these elements exist in large measure. Both American shipyards and American travelers are idle. Both could do the best work in the world if they had fair play. Trade drummers are in such excess that those out of employment have formed a society to promote their use. Shipbuilding yards are in excess. A number of shipyards in the United States are constantly in a financial hospital, not because there are not plenty of shipbuilding materials, or superior shipbuilding workmen, but because bogus capital has grasped the materials, the means of transportation, as well as the shipbuilding methods, and consequently ships cannot be built, except at such costs as to be useless. No commercial machinery can obtain orders when prices are higher than those of the competing countries, and none but dazed minds would suppose that products can be sold when charges for bogus capital are included in the selling prices.

The politician who expects a merchant shipping for the United States, while bogus capital remains unextinguished, are like the men who expected to find ice in the tropics. How can a shipping industry be fostered and be placed upon a healthy foundation when men charge five million dollars' worth of shipbuilding appliances and

plants with seventy-five million dollars of bogus capital as real money, with the real object of scampering off with the money and leaving the debt to be provided with dividends and interest by inordinate charges for ships? This is the scheme of the Shipbuilding Trust. Can Americans obtain an honest or successful nation-making industry from a band of fraudulent conspirators, such as those who created the fraudulent prospectus, and bought and sold the fraudulent plants, and the fraudulent everything, which were intended, not for economical shipbuilding, but for stock-juggling plundering, as is shown by the scramble to be the first to unload the products on the Stock Exchange?

The hindrance in the way of the United States possessing its own merchant marine is not in securing materials; we have them all in incomparable abundance. The cause is more discreditable. Every natural and mechanical advantage has been cornered and put under the control of pawn-tickets, and the pawners have taken the money, and left the pledges to pay the yearly interest, and to provide these payments prices have been put up so high as to be prohibitive. The best of all means to prohibit an industry is to increase prices, and the most effectual means of maiming an industry is to put it largely in debt for money which it never received, and for which it never received any advantage, like the charge for bogus capital, which is positively fraudulent.

The Republican Convention held in Nebraska in 1903 formulated a demand that such legislation should be put on the statute books of this country as shall "Make the sea give evidence that American built, American manned, and American owned ships are carrying American foreign commerce to the four corners of the earth."

How volatile and absurd are these words, addressed to the intelligence of the American people, in view of the

actual cause which strangles and incapacitates the merchant shipping and all the industries of the country! These politicians seem not to grasp that when prices are doubled to provide dividends for capital which never existed, the industries are disabled and the dollar buys only one-half.

The cause of the debilitated condition of the commercial shipping of the United States is the same as that which makes the cost excessive for all the products of our industries, of the transportation of all our railroads, and makes dollars buy so little. The industries and railroads and other resources of this country ought to be conserved for the people.

The consequences of such an unsound and illegitimate state of trade and commerce not only creates a large number of idle non-producers who spend extravagantly, increasing every year, but fewer in every hundred of the workers are compelled to provide the idlers with an existence. In 1880, 14.1 in every 100 of the population were engaged in our industries, but in 1900 only 12.9 in every 100 of our population were engaged in our industries. We find the same falling off in numbers in the persons engaged in agriculture. In 1880 there were 44 persons in every 100 of the population who were engaged in agricultural pursuits, but in 1890 there were only 37, and in 1900 only 35, and at this rate of increase, in a few more decades there will not be sufficient labor for our agricultural requirements.

Under such conditions of fiction and fraud there are short periods of seeming prosperity in every decade, but on the average the period is not one of real progression for the work-people, who, thrown about like dice in a gambling room, become more and more discontented, as well as careless about good citizenship.

Can there be intelligent Americans who imagine that there are markets abroad which will buy our commodities,

loaded as they are with their heavy charges for dividends for bogus capital? Why, Americans themselves would not pay the high prices which are demanded, in order to feed the bogus capital with dividends, were they not compelled to do so by a tariff law made especially to protect the making of high prices. Were there no tariff law there would be little or no bogus capital, for then the bogus capital could not obtain the dividends from the high prices. Were there no tariff law the American consumer would buy in those markets where bogus capital does not exist and where they could buy so much more for their dollars. Does any thoughtful person suppose that if American products could be sold abroad for 99 cents, for which they are now paying 100 cents, that those markets would not send orders for those commodities? Does any person suppose that the markets of foreign countries will pay American merchants one hundred cents while they can obtain the products for one-quarter of a cent less? Therefore, how difficult and impossible is the work to get foreigners to pay our extra prices in order to provide our stock-juggling system with dividends.

No person apprised of the facts will state the resources of Great Britain are not vastly inferior to those of the United States. She is subject to foreign charges of all sorts, as well as efforts to get her raw material, while the United States has them in abundance at home. We are told that the organizing and administrative forces, the quality of machinery and the vigor of labor are inferior, and that her working people work shorter hours. We are told that in comparison with American machinery the machinery of England is old and obsolete. All this should be true. Therefore, where are all the advantages of the United States absorbed? Do not the high prices declare; do not the prohibitions upon our industries declare; do not the almost stagnated conditions of our foreign com-

merce declare; do not the fictitious charges declare, that the country's resources are being enslaved by a vast system of financial grasp, which pledges them and takes the money without having a pretence of an equivalent? Since we cannot compete with Great Britain with her shipping, nor with her textiles, nor in any other branch of commerce, except in raw cotton, petroleum and food stuffs, where is the bleeding done which draws off such a vast quantity of vital blood? There is only one answer. There are commercial parasites in the United States which have applied themselves yearly to blackmailing its trade and commerce, and juggled real money into their own pockets in exchange for fictitious pieces of paper which are permanently charged as a debt upon the country's resources, which must be provided with interest and dividends every year.

In 1902 the exports of agriculture were only \$10.50 per head of the population, but in 1880 they were \$13.60. In 1902 the exports of breadstuffs, per head of the population, were only \$2.70, but in 1880 they were \$4.20, and were the wages not taken by bogus capital all the people would be better fed, and they would consume all the breadstuffs which are now exported. When breadstuffs cease to be exported the country will be more dependent upon manufactures for exports, and with the prohibitive costs of them, because of the high prices necessary for the bogus capital, there will be none for export. Then we shall have such a state of congestion in the labor market as will develop the worst of discontent, and then bogus capital may be extinguished by rude force and not by choice, with consequences to the authors such as are painful to contemplate.

The unsatisfactory commercial situation in this country is pictured by the Secretary of the United States Treasury in a speech delivered in Boston on the 29th of October,

1903. He deplored that foreign markets would not take American manufactures, and this is only too true, for the exports of American manufactures are only \$5 per head of the population. He deplored the condition of American shipping, and that Americans could get the best of ships in foreign countries for considerably less money, where they have inferior supplies of materials, inferior producing appliances, inferior labor, which in foreign countries works for shorter hours and produces less for the dollar.

Actually, Americans refuse to employ American ships, and whenever they can smuggle foreign goods into the United States, in order to evade the extravagant prices, they do it. These are perplexing anomalies until we examine them. The reason that the American will not employ the American ships, and why Americans smuggle foreign goods into the United States, and why a costly army of detectives to watch and prevent smuggling is required, is because the charges and prices are so high in this country. The charges and prices are not high naturally; they are not high by scarcity; nor are they high by incompetent means of production, but they have been made high in order to enrich one class, which makes bogus capital and charges it as real money, and to impoverish another class which does most of the producing. All the great products by which trade and commerce are fed are in incomparable abundance, and they are produced by the best and most economical of all means, and in proportion to output value are produced by the cheapest labor in the world, but every natural and artificial advantage has been corraled.

High prices disable and degrade a nation. They act like taxes, but are vastly more oppressive. High prices are a restraint upon trade, because they prohibit the use of products; they reduce consumption, because the people cannot buy as much; they diminish demand for labor, be-

cause less labor is needed; and they mean insufficiency for the great mass of workers upon whom the nation depends for the production of its actual wealth. When the increases in prices, amounting to 100 cents on the dollar, as the increases have approximately grown since 1860, by the creation of bogus capital and charging it as real, the oppressive and enslaving effect upon the people, upon the industries, upon commerce, is enormous. High prices are pernicious in every way, and without a redeeming feature. They make the rich richer, and they make the poor poorer. The increase in cost of an article costing 10 cents to 20 cents causes the demand to be smaller, and many people of limited wages must consume only one-half. If the consumption is one-fourth less, the amount in dollars, at the rate of doubled prices, will be more. The high prices are the harvest for the rich class. With only one-half the quantity there is only one-half the cost of production, only half the labor, machinery, buildings and transportation are required, and the other half remain idle.

This explains the number of idle factories in this country. According to the United States Census of 1900, in only nine of the hundreds of industries there were 118 plants idle, representing land, buildings and machinery of over \$42,000,000. In other industries there were 2,296 establishments idle, representing a motive power of 210,461. There were 123 iron and steel plants idle, representing \$25,000,000. The estimate of the country's internal trade by dollars, when prices have been doubled, means that there are the aggregate of dollars, but for only half the products, and consequently there is only one-half of the production, as well as only one-half the consumption, and thereby the worst of uneconomies are used. Only half the labor, machinery, buildings and transportation are used. When the costs of articles of general consumption have been fictitiously increased by tariff protection, in order to

get dividends for bogus capital, there is necessarily a serious economic derangement, which will sooner or later be productive of disaster and suffering. There is an oppressive profit created by increasing the price from 10 cents to 20 cents, and a large amount has been obtained without giving an equivalent.

When the mass of the people have to face such high prices as give only about one-half of the necessities of life for the dollar, there must be enormous personal suffering, as well as great trade disorganization, to be revealed as time goes on, although a few are made enormously wealthy.

Under these conditions the farm products consumed must be diminished, and the demand for other commodities must fall off, to be followed by less clothing, worse homes, and by increasing privations, and often the desperation of want. The proceeds from the increases in prices are vast, and the creation of millionaires by them is easy, but the widespread evil created is indescribable.

High prices are as pernicious and oppressive, and home destructive, and trade destroying, as the worst of taxes for a state of war, and when so permanent and so enormous as in the United States by means of bogus capital charged as real money, they are as injurious to the national life, as well as to the individual and to the home-life, as a permanent state of war, which constantly extracts many cents from every dollar.

An ideal Republic consists of workers, and not of loungers, and the fewer the Commonwealth has of these, the better for its health and economic development. Of the great nations there are few which cannot produce at one price or another, but the weak can only produce at high prices. The measure of health in a nation is its power to produce without being trammelled, so that its people can get the most for their dollars. The nations are few

which cannot produce industrial products, but wherever tariff laws are most protective of high prices, as in the United States and Russia, there the costs of production are the greatest and the people are most oppressed and obtain the least for their dollars.

The high prices which exist in this country, created mostly by stock-jugglers by means of bogus capital charged as real, means vast poverty-making for the American people, especially for the wage-earners. They mean, very often, less food, less clothing, less housing, and often the annihilation of all home-life, as well as mental degradation for millions, who, but for the oppression of higher prices for bogus capital dividends, would be better members of the community and better American citizens. The proceeds of the bogus capital-making, for which real money has been wrongfully taken in such enormous quantities, are viciously wealth-making for an indolent, non-producing, luxury-using class, which is so often unfit for wealth. This is illustrated by prominent men who, upon the opening of a palatial stable, seek coarse notoriety by an equestrian dinner in the form of a cavalier tournament; by women who are absorbed how they can spend money upon some novel and coarse social function; by females dressed in costly apparel throwing hundreds of dollars into a Madison Square Garden cycle race; by women purchasing porterhouse steaks for their dogs; by a scion of a great bogus capital juggler making the best of the proceeds by spending a hundred thousand dollars, night after night, in Canfield's gambling house, while, in consequence of bogus capital being charged as real money, prices for the necessities of life are so high that many industrious in our cities are surrounded by hunger and want.

Under economic conditions, especially under a Democracy, the people who constitute the nation are paid wages

for more than a struggling existence, by which they become degraded citizens and non-users of those industrial and farm products by which the nation is enriched, and the people are improved in their well-being. The people are paid wages in a real democracy for national development, for individual well-being, as well as for sustenance, and the more these are provided for, the more prosperous are the industries, and the greater is the real progress of the commonwealth. That higher wages can be afforded by the actual costs of production of the country's products is proved by the fact that dividends are so largely and regularly provided for capital which never existed, and which does no work, and has no legitimate value or claim.

The best and most beneficent of governments is not that which would be distinguished by sharp practices with foreign countries, or for its tinsel and lace, or which advocates a large standing army. The best and most beneficent of governments is that which protects its industrious poor against the graspings of the rich, and so administers adequate laws, as well as the public purse, whereby the people can get the most for their dollars. The worst and most oppressive of all governments is that one which fosters and protects the making of high prices and shares the plunder with the men who use the high prices to make dividends for spurious capital, which has been charged upon the country's resources as genuine money.

The first concern of a faithful and competent executive of the nation will be to provide, or at least set in motion, those economic conditions by which the people can obtain the most for the least, and undo the practices of former governments whereby the people have been compelled to receive the least for the most. The duty of the executive of the government is the suppression of all abuses, the maintenance of purity in all departments, the cutting out of all corruption, and the making of such laws, and en-

forcing the operation of them, as will preserve the weak and poor, and the industrious worker, from the piracy of the strong and rich, and secure especial punishment for all who have enslaved the industries, as well as their workers, by charging bogus capital as real money for themselves. The country's resources, by which the nation exists and upon which all the people are dependent for employment and gain, ought to be free from all bogus encumbrances, and all who have created them and taken the money ought to be forced to disgorge and be brought under the criminal law. The common interest, as well as the prime necessity of all the American people, is the preservation of the country's resources from the dishonest manipulations of the stock-juggling class. Hitherto the common practice has been to neglect the industrious and protect the scheming plunderers, if they would only share their plunder. This has been so developed, with the co-operation of governments, that 71 cents of every dollar of the country's resources or wealth were grasped by a few before 1901, and the principal engine of the grasp has been the creation of bogus capital and charging of it as real money. When a government fails to prevent men from taking thousands of millions of dollars by charging the resources of the country with bogus capital, it becomes an accessory to taking cents from the people's dollars, and thereby making their lives harder and more difficult. In a country with a strong and wholesome public opinion the people would at once demand an inquiry into the moral competency of an executive of the nation, which was indifferent and passive while the steel industry of the nation was being charged with more than a thousand million dollars of bogus capital as real money, and the proceeds were being pocketed. The widespread enslavement of trade and commerce, and of the millions of the industrious American people, is incomparably more vast in its im-

portance than the comparatively finikin discourses upon race suicide and strenuosity, while under our unwholesome industrial conditions more than two million children are being forced to overwork, for a bare existence, in order to make dividends for a capital which never existed. By the creation of thousands of millions of bogus capital and charging it as real money, economic disorganization is inevitable, and prices must necessarily be increased, so that the dividends can be provided for the imaginary capital. Prices have been increased and in many instances wages have been reduced. As consumers must necessarily buy less, because prices are prohibitive, so factories must close, and wage-earners must be put on to the streets; so exports must necessarily fall off, and they have fallen off, and the imports of jewelry and precious stones will naturally increase, as they have increased, until they in 1902 amounted to one-third of the exports of steel products.

Were the people living under a government which would enforce the law against bogus capital and bogus capital-makers, every one who spends dollars in the United States would then get the same necessities of life for 60 cents which now cost \$1. Were the wage-earner then paid a fair proportion of the earnings he could buy more of the products of the farms and industries, and the prosperity of the country would be real and unprecedented.

Even in view of the widespread corruption in politics which is announced in the newspapers from day to day, it is surprising that the members of Congress and the different States Legislatures are willing for the people to be alienated from the country's resources by the creation of bogus charges, and protected by a tariff law which protects the making of higher prices, in order to provide the bogus charges with yearly payments. This bogus capital charged as real, turns back the people's clock of civilization and progress, and makes them poorer, makes them work

more, and obtain less for their dollars. These bogus charges make more remote, if not impossible, the time of the enrichment of the people's lives by art and literature. All the advancements of science in the economy of production do nothing for the elevation of the people, because they are grasped by bogus capital, and the costs of them are prohibitive, because they have to provide dividends for an imaginary capital.

It is not too much to state that almost every contrivance has been invented to bleed the American people and take cents from their dollars. The railroads, although declared by the Supreme Court to be inalienable public property, have been charged with more than six thousand million dollars of bogus capital, and some of this is receiving \$10 a year for every \$100, and in order to supply these dividends the costs of transportation have been increased, and in consequence the costs of the necessities of life are increased.

The same with the American people's industries and other resources. They have been charged with thousands of millions of bogus capital as real money, and in order to provide dividends for these prices are increased and wages are reduced. In this manner the lives of many Americans are very hard and their privations are very severe, in a land abounding with plenty and with the means of comfort and happiness more than enough for all.

Besides the bogus capital enslavement of the people there is the enslavement by the politicians, which also makes the dollar buy less. Every grab is so much of a tax, to be paid yearly, and to be paid mostly by the people who do the working and the producing of the nation. We are enslaved by a political system which, by an unwritten canon of political law, dominates the political party which is in power and gives "spoils to the victors." By this there is a tacit understanding between leaders in

politics that the victors and their henchmen who aid in their victory shall get official power afterward, and plunder as they please, provided it is done secretly. The operation of this system is very far-reaching, and is fraught with the worst of consequences, and often costs many cents of the dollars. The people's conscience is asleep, and consequently the political plunderer gets more than his own, and in consequence dollars are bereft of so many cents. The political victors, under this popular regime, account spoils as rewards due to themselves and their supporters for their services; and they fix no limit upon the amount, and then there is no limit to their plunder, unless they can be found out. The plunder is of all sorts; public franchises of enormous value are given away to sets of men for private reward, and afterward the franchises are turned over to syndicates, and then to Trusts; and in these ways many cents are taken from the people's dollars. The people's property is alienated by every possible means for private gain. The politicians shut their eyes and are paid for it, while great stealings are completed. Then the henchmen of the victor claim official positions as a means, not to get salaries, but of getting plunder. Salaries are only a semblance of the rewards to political supporters, and are considered insufficient for their services; opportunities for pillaging are a part of the transaction. In the Postoffice, opportunity has been given to charge salaries for people who never lived, for office furniture which never existed, for traveling expenses for journeys which were never made, for new appliances which were never needed, and for all kinds of pretexts, in order to give spoils to political bleeders of the people, and the head and tail of the system sail in the same boat. A book might be easily filled to show how in every direction spoils of plunder are acquired by political victors and their henchmen, by this pernicious political

system, ending always in taking cents from the people's dollars. Never in any country, not under any monarchy, not under any other Republic in all the world's history, have the people's resources been so bled or so freely misappropriated as by these vicious systems.

The insurance of inordinate profits by inordinate prices, by a tariff law, has enabled the same class to anticipate and capitalize these profits and charge them as real money in perpetuity, as if they were a real and not a fictitious creation. By the tariff act Congress created at one stroke thousands of millions of dollars for a wealthy class to become wealthier at the expense of the poor class becoming poorer. It is to be regretted that all this pernicious business is the product of one political party, which may be called the Capitalization party, which capitalizes the illicit gains of a diabolical law. Some of the leaders of this party are not only willing to enslave the industrious millions, but would enslave them more by paying subsidies to ships with bogus capital, whereby they can be protected in the same uneconomic way, to produce earnings by exorbitant rates, which can be anticipated and capitalized into bogus charges, and then treated as real money. By the tariff law protection is provided for privileged men to continually increase prices, so that the bogus capital can be provided with dividends indefinitely.

No system ever used by a king or an emperor ever made nobles so quickly and made them so wealthy, and made them to oppress and bleed the people so much, by giving the people who work less and less of the necessities of life, for the dollars of their wages. The evil effects and widespread punishment are inevitable. As the prices are made higher, the wages buy less and less of the products of the factories and of the farm and other products. Then there is excess of manufacturing products and of other products; then factories must close, workers must be dis-

charged; then the products which they are unable to buy are not sold, and other factories must close and other working people must be discharged; while the privations and want of the people and stoppage of factories and trade become such a national calamity as to produce personal and commercial ruin. The system is so devised in its details that it is the interest of rich men to produce these periods of ruin, if they can be anticipated, and an article which is high in price can be sold for future delivery. The seller need not possess or own, he has merely to sell futures, and be responsible for delivery when prices have fallen after the wreckage.

Since every four million dollars a year extracted from the people by higher prices and lower wages will provide sufficient dividends for every hundred million dollars of bogus capital charged as real money, to be unloaded upon the Stock Exchange, every inducement is created to make the number of four million dollars a year as many as possible, regardless of the engineering costs to the entrails of the American people.

Secretary Shaw, of the United States Treasury, advocates the payment of subsidies of about \$4 per ton of freight to pay the ships in order to establish a merchant shipping which, by the charging of bogus capital as real, has been made so costly as to be prohibitive. The merchant shipping of the United States has been killed by the weight of charges upon it, but in order to bring it into life, Secretary Shaw purposes a kind of charitable payment. The high prices which the American objects to and tries to evade by smuggling, apply to shipbuilding, to shipbuilding materials, and to shipbuilding appliances, as well as to the food, clothing and housing of the seamen and their families. Consequently, shipbuilding and the maintenance of shipping is, in the United States, the most costly of all countries, therefore Americans discard them and employ

ships of foreigners, just as good for considerably less. But for the tariff law, which protects and fosters the creations of bogus capital, the prices in the United States would be the lowest in the world, and the people would obtain more for a dollar than in any other country.

All these apologies for a lame shipping industry, and all these pleadings for a charitable fund to pay that which they are unable to do for themselves, is made in a country which has the best of all means. The monetary nursing of ships is to make up the plunder which has been taken by bogus capital and charged as real money. How much better would it be for the country, for the Government, and for its people, if Secretary Shaw would frankly admit the truth and confess that stock-juggling promoters have so overloaded everything with bogus capital charged as real money, that there must be an extinguishing of the bogus capital, or that the industries carrying the bogus capital must have monetary nursing every year by subsidies. Why is the plain truth about bogus capital withheld from the American people? Do the politicians think the American is too degraded and stupid to care for the actual truth, or are they afraid of the stoppage of supplies by the bogus corporations? It should not be forgotten that every four million dollars which the United States Government takes out of the people's treasury, and gives to shipping made lame by bogus capital, will pay dividends at the rate of 4 per cent. per year upon one hundred million dollars of more bogus capital, which will not be for the people who work, but for the wealthy class, for which the capitalizing political party is always solicitous. The Ocean Marine Trust has about one hundred million dollars of bogus capital charged as real money, and if it can only induce the Government to pay it out of the people's treasury four million dollars a year, the hundred million dollars of bogus capital will be vitalized, and can be sold for about eighty

million dollars in gold on the New York Stock Exchange. Every subsidy in the past and every subsidy in the present and future must be a payment in charity, but with inferior motives, and must come out of the many to enrich the few.

The American shipping has been made so costly by means of charges for bogus capital that it could not be produced or maintained to compete with the merchant shipping of other countries, and consequently could not do business, and has become almost extinct. That bogus capital charged as real money upon the American merchant shipping and upon the materials and methods, by which ships are built and maintained, should annihilate it, is according to the most natural of laws. The American merchant shipping has been killed by fictitious charges making prohibitively high costs. These high costs made it impossible for the American shipping to live, and, as it deserved, it was killed. When bolstered up wrongfully, and intended to bleed the people by the process, it would be unfortunate for natural laws not to come into operation. The breach of the same natural law is seen in steel, it is seen in every direction. The same prencious programme of bleeding the people was applied in steel in the period from 1871 to 1883. In these thirteen years the steel makers were able to charge the American people for steel products 186 cents, which the English people were buying at the same period for 100 cents. The same protective system was applied to copper. Between 1875 and 1884 all the copper sold in the United States was 30 cents on the dollar higher than the same quality of copper was sold for in England. In other words, the same quantity and quality of copper could be bought in England for 100 cents which costs 130 cents in the United States on the average of these ten years.

Every intelligent American will see that when prices

are protected in order to supply dividends for a capital which never existed, the industries are interfered with in producing economically, and are thus made incapable for doing their duty to the nation.

Shipping subsidies have failed, like all subsidies have failed in every country, to make robust industries, and they have succeeded largely in making robust millionaires. The American flag is protected on the coastwise trade of the United States, and consequently the American people must pay high prices when they want shipping transportation within these privileged precincts. This means that American shipbuilders and shipholders are protected to make high prices in these areas. This is another contribution of Congress toward making the prevailing high prices of the country; it is another chance for the privileged rich to bleed the oppressed producers of the nation by overcharges. Secretary Shaw, when advocating subsidarial privileges for the shipowners and shipbuilders, said: "I am not ignorant of the argument that foreign countries are willing to subsidize ships to carry our freight." England is the only country which can be said to do any important ship-carrying for the United States, and its shipping is the only shipping that interferes with the American merchant marine. It does so not by subsidies, but because the bogus capital charges in the United States, charged as real money, are not in operation in England. It would be strictly correct to state that England pays no subsidies whatever to shipping. The supposed strengthening of an industry, even when it is weak, as the American merchant shipping industry is claimed to be, by protecting and subsidizing it, is a worn-out fallacy which has been proved again and again. The navigation laws of England, abolished in 1849, were intended by protection and subsidizing to enable the English Mercantile Marine to secure the entire mercantile supremacy of the

seas. As soon as these subsidizing and protective laws for shipping were abolished, the economies and efficiencies of the mercantile marine of England increased enormously. The mercantile marine of England was only 3,596,000 tons under the subsidizing law in 1840. In 1880 the tonnage of the mercantile marine of England, without subsidies or protection, was 17,850,000 tons, having increased nearly five-fold; and had the protection and subsidizing been continued, the mercantile marine of England would have been weaker and more costly, and less able to compete with that of other countries.

The following details show the payments of the British Government to all its diversified shipping. They show that the "tramp" steamers, which are the freight-carrying steamers of the ocean, do not receive any assistance or payments whatever for mail services:

Payments by the British Government to Its Merchant Shipping for Carrying the Mails.

Payments yearly to the fortnightly Jamaica and Bristol Line, half being paid by Jamaica and the other half by the British Government	\$200,000
Payments yearly to the Peninsular and Oriental Steamship Company for the mail service to the East Indies. (This company earns by these payments for mail freight nearly 10 per cent. of its annual earnings)	1,650,000
Payments made yearly to the Oriental Steamship Company	425,000
Payments yearly to the Royal Mail Steamship Company	400,000
Payments yearly to the Canadian Pacific Steamship Company	300,000

Payments yearly to the Pacific Steam Navigation Company.....	161,500
Payments made yearly to the London, Chatham & Dover Railroad Company for mail service between Dover and Calais.....	125,000
Yearly payments to the British India Steamship Company.....	45,000

The British Government pays for the option of peremptorily employing certain ships built to naval specifications, using naval officers, to be employed in case of war.

The foregoing shows the payments made by England to its merchant marine for mail freight. It is evident that the representations upon subsidies paid by England being the cause of the annihilation of the United States merchant marine are completely fallacious, and must have been made for bogus capital purposes. The merchant marine of England consists mostly of steam "tramps," of which there were in 1902, 8,352, with a carrying tonnage of 13,625,455. The entire earnings of the English tramp steamers average \$650,000,000 a year. The average earnings of all the English liners, other than tramps, is less than \$350,000,000 a year. It is unfortunate that men are so willing to be misled and to misrepresent in order to develop the erroneous and uneconomic policy of a political party. The nursing of trade by protection and subsidies is illustrated by French experience. In 1860 a Cobden treaty, reducing tariff charges, was inaugurated in France, and in the interval between 1860 and 1869 the exports and imports increased more than 50 cents on the dollar. In 1872 M. Thiers adopted trade protection, and between 1873 and 1894 the exports fell off nearly 20 cents on the dollar. At the same time, in 1872, Thiers began to subsidize shipping with the intention of building up a French merchant marine. When the subsidizing commenced in

1872 French shipping was in carrying power, 18 tons in every 100 greater than the merchant marine shipping of Germany. Without subsidizing, Germany has competed with France, which had subsidies. In 1894, under the subsidizing system, the merchant shipping of France was 70 tons in every 100 smaller than that of Germany without subsidies. Protection and non-protection are illustrated further by Victoria and by New South Wales, in Australasia, where the former used protection and the latter non-protection. With trade protection between 1873 and 1893, Victoria declined in its foreign trade 30 cents on the dollar, while New South Wales, without protection, increased in its foreign trade 55 cents on the dollar.

The total output of all American steamships for the foreign trade of the United States is not equal in tonnage to that of one small British shipyard. This is because costs have been inflated to provide dividends for bogus capital which has been charged as real money.

All the disabilities of American merchant shipping are not because in the United States there are inferior supplies, or inferior labor, or inferior machinery. The cause is more discreditable and pernicious. It is because so many cents of every dollar in shipbuilding materials, in ship maintenance, and in everything else, are taken to provide dividends for bogus capital. How can a ship industry be maintained, how can ships be built, how can economic laws have fair play, how can the American people be treated with justice when the capital to produce a dollar's worth of shipbuilding was 31.72 cents in 1850, \$1.037 in 1900, and \$4 in 1902? Is it not worse than infantile folly to expect the shipping or any other industry, to be able to live in a state of health when it has to carry enormous burdens of fictitious capital, when, like shipping, it has to compete with the honest productions of countries

where the bogus is not charged as the real, and to compete even with countries which have not the natural, or labor, or machinery advantages which are possessed by the United States.

One eminent political leader, who has been enriched enormously by protection, says that the United States can have a merchant shipping if it will pay the price. He means a price in the same ratio as steel products. He means that if the working people can be squeezed more, especially for a merchant marine, that the United States can possess a merchant marine. In other words, if the American people will subscribe annually out of their earnings, any costly white elephant, any overcharged industry, any fictitious business, can be kept going in a state of ill-health and feebleness, if the country will only consent to be impoverished by the price of supporting it.

C. H. Cramp, in order to secure subsidies, has made public statements to the effect that Great Britain has always been the greatest of all subsidizers. This is misleading, if not more than inaccurate, as we have shown by the payments of the British Government to shipping.

C. H. Cramp's administration of shipbuilding failed because the commodities he used were infested with bogus capital charged as real money. He says the cost of two steamers in the United States was \$1,460,000, and that the cost of two steamers of the same specifications in the United Kingdom was \$1,000,000, and he overlooks the fact that the difference has arisen, not by the absence of the material, of efficient and cheap workmen, or of machinery in the United States, but by the presence of bogus capital charged as real money upon the resources needed to build ships. If such a difference exists in the cost of building ships, it is proof that there is something radically wrong, that there is some debilitating disease somewhere, which ought to be eradicated. All the subsi-

dizing of shipping will not rectify such defects in the cost of building ships.

The country is so interwoven with the disease of creating bogus capital, and in control of the men who do it, that men prefer to be dishonest with themselves and the industries with which they are identified rather than be honest and in antagonism to the exalted plunderers of the nation. For example, the Shipbuilding Trust was formed in 1902, and the beginning and end of the programme was the creation of bogus capital to charge as real money. It took a shipbuilding plant under its wing which was insolvent to the extent of \$210,000, and paid for it with all its deficits the sum of \$470,000. In other words, the shipbuilding industry was charged by the process \$680,000 for a worn-out, incapable shipyard, more than it was worth, and with this defective and limited instrument it was proposed to build a mercantile marine which would compete with England. In order to assist it Secretary Shaw and President Roosevelt proposed to subsidize it, so that sickness may be restored to health by payments out of the people's treasury. Another lame factory, which never produced anything but seven experimental quadricycles, was merged into the Shipbuilding Trust, and \$300,000 in cash and \$800,000 in bonds and securities on its other properties were paid for it. Then it was closed up and placed on the shelf as being more ornamental than useful. Before it was merged it never earned a cent; after being merged it was incapable of earning a cent. These were for the shipbuilding industry to produce cheap ships, to be comprised in a United States Mercantile Marine. These facts are not exceptional. They are usual and general. Worse instances than these can be named. These are the causes of disease and infirmity of American shipping as well as of American industries.

When Secretary Shaw advocates a foreign trade, does

he think that in courtesy, foreigners will pay tribute to the bogus capital upon our industries, in order to provide them with dividends? Does he think that with bogus capital charged as real money, a foreign trade can be developed? Does not every American evade paying American prices as much as possible? Is it not true that thousands of Americans go to Europe, knowing that their expenses and more will be saved by purchasing in foreign countries, where dividends for bogus capital have not to be provided? The question of a foreign trade are selling prices. When the prices are as low, or lower, than those of foreign countries, the buyers will find the means of transportation. When the prices are so high as to be prohibitive, because dividends for bogus capital must be provided, a foreign trade is as reasonable as railroading the moon. The same cause of failure exists with American shipping. The shipping of Great Britain is large and successful, because the costs of the shipbuilding materials and the shipbuilding and shipping systems are not made prohibitive by bogus capital, and the food and clothing and housing of the seamen and their families are not under charges for yearly dividends for fictitious money.

It is stated by the New York *Evening Post* that a piece of rascality occurred on the North River front in New York City, and we submit to our readers whether the creation of the Copper Trust and the Steel Trust and other discreditable makings of Trusts are any better or less atrocious. By making the Copper Trust and the Shipbuilding Trust, as well as the Steel Trust, thousands of honest and industrious and helpless workingmen with families have been thrown upon the streets into poverty and want. By the same performances thousands have been denuded of their savings and landed in debt, and often in ruin. Imagine also the thousands of confiding investors putting their savings under the control of pocket-

riflers, some looking to old age and a provision for it, and others to the formation of a home, and all to be bereft of their hopes as well as their money by the plundering designs of men who affect purposes of charity, by ostentatiously doling out to charities minute portions of their plunder.

"On West street, the strapping Swede came out from the West, with his blue eyes shining and his hopes high with anticipation. He had been in the copper mines in Montana, a big, fine, upstanding man, with a heart like a child. His buffalo coat came to his heels and his fur cap was on his blond curls, which were slick and glossy. His money, some two thousand dollars in gold, was in a belt strapped over his barrel-like chest. He had dolls for the flaxen-haired, blue-eyed children at home, a soft shawl and a silk dress for the old mother, and gimcracks of various sorts for his old friends. He was proud of his success. The ship that was to take him homeward was to line up next morning, and he came down to the dock the night before to be sure that it did not sail without him. With some of his fellow-passengers he went across to the groggery opposite the pier to pass a final merry evening. In the simple pride of his heart he spoke of the things that lay nearest to his thoughts—his home, his people, and especially his gifts, slapping the great chest until the golden money jingled under the heavy coat. The old mother should work no more, he boasted, and the little ones should have warm dresses and pretty things. Certain human wolves who lay around along the river front for such as have simple hearts and unworldly minds, heard the jingle of his gold, and doctored the giant's liquor, so that he was as one dead. When the police found him in a huddled heap, he had been stripped of the last farthing. His buffalo coat was gone, as well as his glossy cap. His money belt had been slit, and all the contents were gone.

Blood was on his face. When he awoke long after his ship had sailed he had sickness in his heart, but he gave no sign. The police heard the story and sought for his assailants, but nothing came of it. The steamship gave him back his money he had paid for his ticket, and with it he bought a railroad ticket and turned with indescribable sorrow and disappointment toward the West, to work and try again." The human wolves that denuded this man of his all gave him nothing. They gave him no equivalent. Are the human wolves which create bogus capital and charge it as real money, and create it often when there is no asset value, any better or less nefarious than the human wolves who robbed the Swede? Are the human wolves of bogus capital of a higher order than the human wolves which frequent the groggeries on the river side? It is currently stated that twenty thousand investors in the bogus capital of the Steel Trust have been placed in poverty, and some in ruin, and many are in debt, and in consequence different banking institutions have been wrecked. The human wolves which created the Shipbuilding and the Steel Trusts, and passed off bogus paper as real money, heard the jingling of the gold, and by a politer brigandage they determined to get hold of it, and they created a thousand million dollars of bogus capital stock, and then distributed knockout drops of boom and bluff. And the following and subsequent Sundays the same men could be seen in pews, pulling sanctimonious faces and trying to evade the facial lines of avarice and moral decay.

The United States has acquired its great wealth by its great natural resources of agriculture and minerals, the excess of production over consumption, and the export of the agricultural products has been the principal source of the wealth of the United States. Almost unlimited acres of soil and incomparable climate have combined with vigorous farming to make the United States especially

strong in agricultural products, but the demands upon the agricultural products are yearly arriving at the point where the demand will be larger than the supply. The population is increasing enormously by emigration from foreign countries. But farmers are leaving this country in large numbers for Canada, where high prices for other than farm products do not exist. The United States is now the largest feeder of all countries to the population of Canada. In 1902 twenty thousand farmers left the United States for Canada. Each decade requires more agricultural products, and per hundred of the population the number of the persons engaged in agriculture diminish. In 1880 of every hundred of the gainfully employed population of the United States, 47 were engaged in agricultural pursuits. In 1890 there were only 37, and in 1900 only 35. These are ominous figures, with portentous meaning for every reflecting American. These figures mean that the country must produce more manufactures, and that these must be exported, if the labor market is not to be terribly congested and glutted. The country must develop its manufacturing industries, but this will be impossible until such economies are employed as will make costs lower in order to compete in foreign markets. The cause of high costs in manufactures are the charges for bogus capital charged as real money. At present American manufactures are practically prohibited from foreign markets because of their high costs, due to charges for dividends for bogus capital charged as real money. The cause is not the inefficient labor, or the high wages, or the inferior machinery. How absurd is the attempt to compete in foreign markets while the industries are so vastly overcharged with bogus capital as real money. If more manufactures are not produced, and more labor employed by the factories, the labor supply will be more and more excessive, and then wages will be more and more re-

duced, until the proper consumption of the country's products at home will be impossible. Then, as the wages are reduced, the demand for products will be reduced, and then the dividends will need still higher prices.

The people are suffering because their money buys so little and because they obtain so little for their dollars, and so little money for their work. The factories are suffering because there are not sufficient buyers, and commerce is suffering because the high prices are prohibiting our manufactured products from entering the great foreign markets of the world.

It would be as absurd as it would be untrue to state there are no consumers. Our own people could eat more farm products and then the farmer could buy more manufactured products. Our people could clothe more, and then more factories would be wanted and the many clothing factories would not be idle. Our people could house better, and then trade would be better. There are millions of our own people waiting to consume more, but the lock and key of bogus capital has been turned upon our commodities, unless at such impossible prices as will provide dividends. The foreign markets are waiting for our supplies, but they are naturally unwilling to provide dividends for our imaginary capital, which has been charged upon our means of production and distribution as real money. In the great East Indian market, where there are more than three hundred millions of consumers, the consumption of our products is a pigmy in comparison with the smallest of the other countries. Those of Belgium are more than double, those of Russia are three times as much, and all countries have access to this market upon the same free terms.

It is the first interest and duty of a nation that its workers are well paid, in order that their well-being may be great, and that their power to consume the country's

products may be large. It is the bounden duty of a nation, as well as its primary interest, to prevent all persons from charging bogus capital as real money, and to prevent all persons from acquiring wealth for nothing, or for nominal equivalents. All the derangements of trade and commerce will be found, upon inquiry, to have been caused by men acquiring vast wealth for nothing, and this is largely the cause of so much poverty and vast riches. In nearly every instance it will be found that the vast riches have been obtained by schemes of no commercial value, but a positive encumbrance to the nation. Nearly all, if not all, of the financial operations of some of our stock-juggling financiers have created nothing but debilitating burdens upon the country's power to produce products and distribute them, without ever creating one cent's worth of wealth or enrichment of society. When a railroad or industry is corraled and charged with millions of dollars of bogus capital as real money, the railroad and industry are enslaved, and intended to be enslaved, to the extent of their charges, and they never can again do the work of carrying freight, or producing products so cheaply, as without these charges. When a railroad is charged with bogus capital as real money, its transportation charges must be more than if these bogus charges did not exist. When charges for transportation are high to provide the bogus capital with dividends, a prohibition is put upon the use of the products which it transports. When a prohibition is put upon the use of products the people are not only debarred from using them, but they are debarred from the proper opportunities to produce them.

This atrocious system, so easy and cheap to work, is vastly more oppressive, as it is vastly more taxing, than all the known imposts of royal or seigniorial plunder. By these methods the modern jugglers can perpetrate schemes which can bleed the people every time they eat or clothe,

or shelter for sleep, or move. By these methods the people have no choice but to provide dividends for brain creations of spurious money for which the authors have pocketed gold dollars as freely and as costlessly and as justly as the knockout men who took the Swede's money.

When the prices are doubled, when the ill-paid worker gets only 50 cents' worth for his dollar, the oppression is so great, the infliction of wrong is so deep and widespread, that no shackles in past history can be found so burdensome to an industrious people, so poverty-making, so home-destructive, so life-degrading. Gaunt features and haggard faces, in human form, of men and women and children, are not made so by scarcity in this plentiful country, and are ill-fed, under-clothed and badly housed, because men plunder so largely. The poor who work are not made poor, and never are they placed in a condition of starvation in this country by a famine; they are starved in the midst of abundance, they are starved because prices of the necessities of life are so high as to be prohibitive to the workers for wages; they cannot reach the necessities of life because the prices are so high, in order that dividends can be made for capital which was never real money, nor representations of any value. In order to provide for fictitious capital charged as real money, the prices are so high that the people's wages will not buy enough for a proper existence; then the consumption is prohibited, and the demand falls off. Then factories must shut down. Then labor must be foodless, and must clothe less, and house less, and starve. Later, more factories must shut down because the remaining workers are cut in their wages, wherefore they must use less because they must buy less. Then every movement accentuates the tragedy wrought by men who create bogus capital and charge it as real money.

Were a man to systematically obtain money for butter

and deliver soap, he would be indicted and sent to prison. This is done by the action of the police. But the public would obtain the same protection in Turkey. When a man systematically creates bogus capital and charges it as real money, there is the same act of thievery, the same design to obtain honest money out of the pockets of the people, and there is the same nature of oppression in making bogus capital as making bogus butter. The only difference is the small amount of the one and the large amount of the other. The bogus capital man obtains vast millions and the bogus butter man obtains only a little. There is as much misrepresentation and fraud by the one practice as the other.

No honest person who is made familiar with the evil consequences to the nation of sets of men plundering the resources of the country by bogus capital, and charging it as real money, will contend that it is not of the first importance to the American people, just as it would be to the tradesman were he despoiled of all his property without obtaining any compensation, by a set of card-sharpers. No intelligent American will honestly contend that the making of higher prices and the reduction of wages, in order to make up the amount which has been wrongfully taken by bogus capital, charged as real money, is not only iniquitous but impolitic, and that to permit it is to be guilty of abject folly. We have shown the bad effects upon trade by high prices—how they prohibit consumption, how they take from the wage-earner wrongfully, and how they wrongfully enrich the wealthy and produce a class of indolent loungers, who are more and more intolerable as they are seen by men who are more and more sane and right-minded. When the producers are impoverished, ill-remunerated, overworked, or worked at an inhuman pressure, it is not for the good of the nation, although it may wrongfully benefit those who do not work, but ex-

travagantly consume that which they do not earn. The prevailing high pressure and speed is uneconomic for the human family, and its results are not economic except to the avaricious grasper who would convert all humanity into a get-rich-quick machine. The mental, the moral, and the heart atmosphere are impaired and degraded, and they are made incapable of the best by the present mechanical get-rich-quick process. Everything—the air we breathe, ideals of living, the duties to each other, are being adjusted to get only dollars and luxuries and become notorious as possessing millions of dollars. All these are symptoms of the rottenest state of society which proceeded the decay of the nations which have gone down, and they must be changed for the United States or it will go down in the same way. Luxury and wealth, indolence and avarice, are the active causes of national decay, in the twentieth century, as they were of Rome and the other Italian republics.

Was any past cataclysm more awful to contemplate, in the height and depth and breadth of its devastating consequences, as the great industrial enslavement of the American people by creating bogus capital and charging it as real money? What are these dividends for? Are they in exchange for something? They give not of the value of air to the American people. They are made for the private purposes of men who have audacity and turpitude enough to secure their inordinate wealth in the way that the poor may be poorer, that the worker may work more, and the under-fed may under-feed more, that the under-clothed may be under-clothed more, that the badly-housed may be badly-housed more, and that for the poor, home-life should be still more scant; that the sufferers by poverty, privation and hardship may suffer more; that the difficulty of good citizenship and home-life may be more difficult; that in every sense the condition of the American

people, excepting a few, may be made worse. Have these men so burdened the different industries, and so corralled the American people, done nothing to earn this inordinate wealth from bogus capital? Absolutely nothing of value or interest for the American people. They have given in return only brain creations of paper, bogus capital for which they have taken money without giving an equivalent or a pretence of value, in exchange. The men who have done this have not found money. They have only taken money. The men who formed the Steel Trust did not use their own money. They borrowed money on the steel plants to pay for them, and then pledged them for more than a thousand million dollars, and took the proceeds.

When human beings who produce wealth, who are to use the products, and so increase wealth, are intentionally dehumanized by inadequate nutrition and degrading environment, because of the increased cost, as well as made to overwork under inhuman conditions, is not the nation being debilitated in the most expeditious way? Are these conditions to be maintained and perpetuated as the makers of bogus capital intended? The monster has grown to such proportions that it will cause the submerging of the American people if something is not done.

The uneconomic nature and atrocity in the making of the Steel and other Trusts will be seen in the fact that the yearly earnings of the five million farmhands of the United States in 1899 were \$365,305,921, or about one-third of the amount taken by the making of the Steel Trust alone, and for loading it with disadvantages and injury.

Can any thoughtful American suppose that these thousands of millions of dollars charged to the country's resources, in order to create schools of royal millionaires, unexampled in their non-producing and vast consuming powers, especially with useless luxuries, mostly from for-

eign countries, are without grave consequences to both the country and nation? Is it not natural, as well as inevitable, that the adjustment of the balance sheet must come from somewhere? When we see prices put up in a royal manner, and wages put down, in order to make dividends for an imaginary capital, so that the proceeds can feed grasp and greed, for nothing, is no ultimate disaster being forged in the most efficient of furnaces? Can the factories sell their products when the largest number of consumers have fewer dollars to buy with, and when their dollars buy less? Can the exports of manufactures be hoped for when costs are increased, in order to provide for larger capital, which only exists in the stock-juggler's brain?

The great aim of the Trust system, backed by the capitalizing political party, is to establish a large trading machine, and give human forms mechanical positions in the machine work system, dictated, it may be, by a resident in a foreign country.

EXAMPLES OF TRUSTS.

THE OIL TRUST—HOW THE SINEWS OF WAR HAVE BEEN
EXTRACTED FROM OIL.

Every monopoly is an abuse, because it is designed and operated to extort, by its monopolistic power, from the powerless people, for dividends for its bogus capital. Every abuse of the people is an abuse of the nation. An increase in the wholesale price of refined petroleum, in the ten years from 1893 to 1902, from \$5.30 to \$8.50 per barrel, as reported by the wholesale prices of the United States Treasury, means an increase in price of 60 cents on the dollar, and means that many are restrained from using petroleum, and many must be without light. Every such monopolistic operation is in restraint of trade, and comes directly under the Sherman law, and it is the duty of the Government to put the law into operation.

THE mineral oil industry of the United States is of great importance to the American people. In 1902 the exports of mineral oil, besides other oils and valuable by-products, were 842,829,170 gallons, amounting to \$53,390,345, and the home consumption was enormous, which is not included in these figures. The United States and Russia practically control the mineral oil industry of the world, and a monopolistic Trust controls nearly all in the United States. The improved means used now for refining mineral oil have reduced the cost greatly, and the by-products, such as naphtha, gasolene, vaseline, and others obtained in the process of refining are of immense value, which reduces the cost of refined petroleum very considerably. According to the wholesale prices of the United States Treasury, the wholesale price of refined petroleum

in the ten years from the first of January, 1893, to the first of January, 1902, increased from \$5.30 to \$8.50 per barrel, or more than 57 cents on the dollar. This would mean that the increase in profit upon the exports alone, by an increase in price of 57 cents on the dollar, since 1893, are nearly thirty million dollars a year, besides the by-products and the new economies in oil refining. The increases in prices of petroleum for export alone, of more than thirty million dollars a year, will provide dividends for seven hundred and fifty million dollars of bogus capital, which could be charged as actual money, and then sold upon the New York Stock Exchange for about this amount. This profit of thirty million dollars a year does not include the other profits before the prices were increased, and which are very large, nor the profits upon by-products produced in the refining of petroleum, such as naphtha, gasolene, and other valuable products.

It is within the mark to state that the Oil Monopoly of the United States, held by the Standard Oil Co., forges wealth out of the people by work and sacrifice, every year amounting to more than makes fifty millionaire families, or a thousand every twenty years, which the workers of the nation have not only to provide for with the necessities of life, but with the most extravagant of luxuries, often purchased in foreign countries. Had the representatives of the people been faithful to them, this oppressive monopoly would have been impossible, and these enormous squeezings would have been for the well-being of all the people, enabling them to use more farm and industrial products. Moreover, these fifty million dollars, acquired by squeezing the people under the authority of a monopoly, are used again and again to enthral and impoverish the people by creating such Trusts as those of Copper and Steel, of Gas, Electricity, Railroads, and other necessities, and creating bogus capital for them and putting up prices

and cutting down wages to provide the bogus capital with dividends. According to the United States Census Report of 1900, children and women are employed in the oil refining industry, and the average wages paid in that year were \$2.71 per week to the children, \$4.53 per week to the women, and \$10.75 per week to the men.

The Standard Oil Trust has an eventful history, not always of sweetness and light, but always productive of the sinews of war in extraordinary measure, and they have been used for oil and other American commodities in Napoleonic fashion. Two of the greatest engineers in the history of bluff and grasp, Jay Gould and Commodore Vanderbilt, contributed largely by their modern financial contrivances to the development of the Standard Oil Company into a commanding monopoly. Afterward it became a monopolizing engine, and whenever or wherever in the United States a monopoly could be engineered into being for American commodities, which could be laid under tribute by the creation of bogus capital and charged as real money, from oil up to copper, and from steel down to paint, the Standard Oil Company has had the necessary sinews awaiting the bugle of the Christian soldier, who with eagle eyes and ravenous heart was ever ready in marching armor for war.

The Standard Oil Company has braved and out-weathered every storm of moral indignation and popular discontent, because leading men, especially politicians, have preferred the sweetness of monetary sugar more than the people's well-being. The Standard Oil Company took advantage of fictitious capital for itself, before it used it so often, for other American products. No device has been too mean or degrading to use for its unholy purposes. It has been often like a cyclone in peaceful places of industry, and after its cyclonic wrecking it has appropriated the wreckage for itself. Wherever it has been able to place its

cloven foot it has been able to get the control and use it for its own purposes.

It has bribed and debased Legislatures; it has corrupted public officials and degenerated them; it has bought the officials of railroads at the cost of the shareholders. Its diabolical system has ruined the honest efforts of tradesmen. It has blighted the hopes and the lives of its honest competitors, and then fattened on their remains. Its collapse would have been seen years ago, by its inherent rascality and disease, but for the share of the plunder which it distributed to its henchmen, in the shape of lawyers and legislators, in every part of the country where it could stifle opposition.

The Standard Oil Company was incorporated in Cleveland, Ohio, when incorporations of industries were in their infancy. The programme was a plot of a ring, not then to control oil, but to control oil transportation. The first move was to corrupt and purchase the railroad officials, by payments which did not go into the treasuries of the railroad companies, and were thereby prevented from going to the stockholders. By these means it secured contracts with three trunk lines, then controlling the oil regions. They were the Erie, the New York Central, and the Pennsylvania. These contracts gave them power to demand rebates of from 40 cents to \$3.07 per barrel of oil. The proceeds were shared in predetermined proportions. To achieve these results the Standard Oil Company formed an irresponsible dummy company, called the South Improvement Company, by which it thought its own cloven feet would never be seen. An arrangement was made between the South Improvement Company, of which the centrepiece was John D. Rockefeller, of the one part, and Jay Gould, Cornelius Vanderbilt and the president of the Pennsylvania Railroad, of the other part. But the public crime leaked out. Then there was widespread

public indignation and the contracts were canceled. But the purposes of the contract remained, and were carried out surreptitiously. The controllers of these three railroads, and not the stockholders, had committed themselves to schemes of plunder, which were to put money into their own pockets and into the treasury of the Standard Oil Company, by the deception and swindling of their respective shareholders. Secret rebates and allowances, prearranged by the conspirators, were shared, and the amounts appropriated by each were enormous. Nearly all the receipts for freight for oil from the oil regions were excluded from the treasuries of these three railroad companies, and were put into a private pot, to be shared as previously agreed upon. Mr. H. J. Cassatt, the present president of the Pennsylvania Railroad, stated on oath before the New York Legislative Investigating Committee in 1883 that the plunder so appropriated and divided in a period of eighteen months exceeded \$10,000,000, and there was much that could not be traced.

In 1874 these three railroads were committed to a nefarious monopoly for the Standard Oil Company, by which it was to enrich itself and the other conspirators, and crush all competitors. The State of New York appointed the New York Legislative Committee to investigate, and the records of its proceedings are the blackest of commercial doings in all times. Although all was then disclosed, no restitution was ever made to the wronged shareholders. With the principal share of this plunder the Standard Oil Company had abundance of money to purchase, to corrupt, and kill off antagonists and all trade opposition. It could, by the privileges obtained from the railroads, without the consent and at the cost of the shareholders, annihilate all competition. The conspirators actually made the railroads give rebates to the Standard Oil Company upon freight paid by other competitors. These

rebates were redivided. In this manner it could and did undersell, and kill off, until it commanded oil refining works producing 95 per cent. of all the refined oil of the United States. It then acquired control of the pipe-lines within the oil regions, as well as the lake transportation from Cleveland.

By its position, after annihilating its competitors, the Standard Oil Company became the only purchaser of crude petroleum, and could pay as little as it pleased, and could charge as high as its conscience of India rubber would permit. It could and did crush every new birth of independent oil supply. In order to have no interference with its methods it employed unlimited capital, squeezed out of the people, as if it were an autocratic Emperor, to corrupt and purchase the States Legislatures. It controlled the three great States of the Union. It nominated Senators. It was the Cæsar of the world's oil industry, and its programme was intensely Cæsaric. It extorted exorbitant profits. It crushed all independent effort. It treated competition as rebellion. All oil trading was extinguished, except by it and in its own imperial way.

Public meetings were held in Pittsburg to protest against this plunder and oppression. Then it paid large sums of money for leaders in the newspapers to attack the meetings, and employed crowds of bulldozers to howl down the speakers. The commercial tyranny was seen in different parts of the country. When a struggling grocer claimed the private right to sell independent oil, the Standard Oil Company established a grocery store and sold oil and groceries at less than cost until it had obtained submission to its imperial oil system. When a coal dealer began to sell other oil than that of the Standard Oil Company, the huge Oil Trust started a coal and oil store alongside of his and began underselling him. After crushing

him in this way it would commence again, with its arbitrary conditions and extravagant prices.

In cities and centres of population, when the retailers became discontented or desired to assert their independence of the intolerable monopoly, the huge dictator put oil-tank wagons in the street near to the disobedient stores to sell petroleum at retail for prices which would annihilate the trade and business of all who were not loyal and obedient. In Baltimore the retail dealers were punished in this way by the Standard Oil Company selling from its own oil tanks at retail for prices less than it charged elsewhere to jobbers at wholesale. It is not surprising that with such engines of destruction it has amassed one thousand million dollars, and that its one hundred dollar shares of capital stock have been sold for more than eight hundred dollars.

The capital stock of the Standard Oil Company in 1872 was one million dollars. Most of the actual capital had been acquired by a loan. In 1878 the capital stock was increased to thirty million dollars. In 1887 the capital stock was increased to one hundred million dollars, and were all its bogus and real securities of every other stock corporation to realize their face value, the monetary resources of the Standard Oil Company would exceed one thousand million dollars.

A man, or set of men, or company, in New York City or other large cities of the Union, can get an advance of ninety cents on the dollar of value of any securities tendered as collateral for a loan. Under such a system by the banks and banking trusts, by which they lend the deposits of their customers, it will be seen how extensive and far-reaching is the power of the Standard Oil Company to dominate the resources and people of the American nation. Nothing would be more terrible, more disastrous, more enslaving than the cornering of the entire

manufacturing industry of the United States, with all its machinery, buildings, land, and the power of manufacturing its products, with an invested capital of five thousand million dollars, and employing more than seven thousand working people. But the Standard Oil Company has the monetary means to do it, as well as the necessary grasp and greed. When a company has one hundred million dollars of collateral it can borrow nine hundred million dollars more, and if it practically dominated banks and Banking Trusts, it could borrow more than the value. Were the Standard Oil Company to set about capturing, by ordinary Trust methods, the entire manufacturing industry of the United States, which means the power to produce everything that is manufactured in the country, the Standard Oil Company possesses the monetary means to do it. The people of the United States could decide otherwise by a law, but before they could suppress this by the ballot box the deed could be done.

The Standard Oil Company can always produce a thousand million dollars of face value of collateral, and by pledging and repledging, could secure money and credit for an indefinite amount. That such a medium of such terrible proportions for good or for evil is in the hands of one man, whose foresight and insatiable greed is Napoleonic, is as terrifying as it is deplorable.

Already the Standard Oil Company can do and does with banks, railroads and Trusts, as it formerly did with coal dealers and grocers who declined to buy its oil. It can run alongside them a bank or banking Trust, or railroad or industrial Trust, and enforce a surrender. When a bank stands in its pathway it buys secretly a majority of the bank's stock and places the directors on the street. The bank directors know this, and they are scared from time to time by some mysterious Standard Oil move, and look for it as for an earthquake, and dare not make a

show of resistance. When an industrial railroad, mining, or other Trust is refractory, or specially prosperous, the Standard Oil Company's scouts are ready in secret to purchase the control of the capital stock, which can be done for a limited period so easily after a depressing stock operation has been applied.

The same with coal lands, iron ore lands, controlled by or free from capital stock, commodities of all kinds, if they were only needful for the existence of the people, and providing they could be charged with perpetual bogus capital as real money.

THE COPPER TRUST—HOW BEATITUDINAL WINDOWS WERE EXTRACTED FROM COPPER.

When men juggle money out of the pockets of the credulous and unwary, by the manipulation of bogus capital stock, it would be for the enrichment of society were the public to combine to obtain the aid of the law to put the wrongdoers in jail.

THE last chapter demonstrated how a thousand million dollars of securities have been acquired by the Standard Oil Company, first, by bulldozing the oil industry of the United States and then numerous other industries, properties and railroads. It has control of railroads, mines, industries, banks, banking Trusts, and it decrees and grasps with no consideration for humanity. It has scooped wealth into its coffers which, if distributed among independent tradesmen, and circulated among the American people, would have made tolerable, and brighter, and nobler, thousands of American lives. Its imperialistic rule and its present day methods may be shown by its modern operations in copper.

The consumption of copper by the United States for electrical and other purposes increased from 96,000 tons in 1896 to 124,000 tons in 1898. The production of copper in the United States increased from 98,000 tons in 1896 to 156,000 tons in 1898. The price of copper in the United States was 9 3-4 cents per pound in 1896, and 11 cents per pound in 1898.

The rapid increase in the use of copper and the certainty that copper would be required in increasing quantities for electrical and other uses, led the Standard Oil

Company, by its president, Henry H. Rogers, to conceive that the copper supplies in the United States could be cornered, monopolized, and then bled profusely. For how could electrical work proceed without copper, just as how could the American people proceed without food? The first move was to secretly get hold of the majority of the capital stock certificates of the different copper companies, like the Anaconda Company, and thereby control them. This was easy. A man with ten thousand dollars can always, by means of a stock broker, use the deposits of banks as loans. With these he can buy a hundred thousand dollars' worth of securities with ten thousand dollars. Were the man the Standard Oil Company, with its own banks and banking institutions, no money displacement would be necessary. An order to the stock broker to buy is all that is needed. Of course, before the command to buy is given a previous command to the broker to bombard and bear prices has been delivered, often by selling shares below the market price. Often the directors of the different companies are brought into the swim. Often they are induced to cook the accounts and pass dividends, to make a bad showing of earnings, or to use other devices which will frighten the investing shareholders into selling below values. In this way many of the copper stocks were corraled.

It was discovered that the owners of some of the big copper mining companies, like the Calumet & Hecla, the Copper Queen, the United Verde, and the Rio Tinto Copper Company, had some honor and some concern for their future safety, and would not lend themselves to the scheme. This did not daunt Henry H. Rogers, who is the man Friday of the Standard Oil Company. When it was convenient he bought or controlled copper grounds which had never been worked, like the Washoe Company, and the more of these the better, because they could be counted

in the number of copper companies which would appear in the programme. Having proceeded in this manner sufficiently for cornering and monopolizing purposes, human instruments were employed in Boston and New York and other cities to begin putting up copper prices, and to talk of the scarcity of copper. In this way the prices of copper were put up from 11 cents per pound in 1898, when the programme started, to 19 3-8 cents in 1899. This is how prices are boomed and made available for dividends for bogus capital stock, which cost only the paper and printing.

When copper reached 19 3-8 cents per pound the scheme was to continue booming copper and talk of its scarcity, and the great and increasing demand for electrical and other purposes, and the certainty that copper would go up to 25 cents per pound and more. People were galvanized and copper was the galvanizing instrument, and the man behind the fence was Henry H. Rogers. There was then a sensational hunger for copper, then was the time to strike. And how did he strike? He struck in a way entirely different to any known strikes of labor. Copper had reached 19 3-8 cents per pound on the first day of April, 1899, and people had been brought to believe that copper would go up to more than 25 cents per pound, and on the 27th of April, 1899, the Amalgamated Copper Company was put out with a capital stock of \$75,000,000, later to be increased to \$135,000,000. The first issue of \$75,000,000 of capital stock consisted of 750,000 shares of the par value of \$100, and before the capital stock certificates were issued about twenty million dollars' worth of copper mining companies, and stock certificates of copper mining companies which had been cornered, were turned into the Amalgamated Copper Company, and based on the price of copper at about 100 cents per pound. No declaration was made of the constituent companies which

formed the Amalgamated Copper Company. For outside investors it was a blind game. But the professional boomers who had been employed so talked and wrote letters to the newspapers of the scarcity of copper and the future dearth of copper, that every one of the bogus capital stock shares of wind was sold for \$100. In order to promote and assist the unloading, the New York bank baby of the Standard Oil Company, the City National Bank, boomed the capital stock by declaring its readiness to make loans upon small margins. This practically published that the bogus capital stock certificates had quality. Every possible device was used in order to unload these seventy-five million dollars of capital stock certificates, which represented less than twenty-five millions of actual cost, and some of these were only controlling portions of their capital stock. This was delectable for the authors, and they decided to increase the dose, and it was brought about in this wise.

Mr. A. S. Bigelow, of Boston, was a successful copper mine owner. Anticipating the advance in the price of copper, he secured capital stock of certain copper mining companies and pledged them with the Globe National Bank of Boston. Under the weight of these and other tie-ups of its reserved capital, in 1900 the Globe National Bank had to suspend and never again opened its doors. Mr. Bigelow had to find another loan, and to find it when copper stocks were under a cloud, because of the closing of the Boston Globe National Bank. Mr. Bigelow applied to the Standard Oil Company for a loan upon his copper stocks. Henry H. Rogers, seeing the situation, like a born pawnbroker, he at once began to act like a born Shylock. He was willing on behalf of the Standard Oil Company to lend Bigelow on the selection of his copper stock certificates, providing he could have the option of taking them himself within a limited period, if he so de-

sired. This was an option of purchase of certain Bigelow copper stocks, during a copper stock crisis, which a Shylock could use with unerring certainty. At the right moment the option was used, and Henry H. Rogers did, for the Standard Oil Company, take possession of these Bigelow stock certificates. Of course, the copper boom had then been developed to its highest point. These copper stocks were of the Boston & Montana Mining Company and of the Butte & Boston Mining Company. It is important to note that he obtained only a majority of the shares of capital stock of these companies, and by these the Standard Oil was able to control the two companies. The entire capital stock of the Boston & Montana Mining Company was \$3,750,000, consisting of 150,000 shares of the par value of \$25 each. The entire capital stock of the Butte & Boston Mining Company was \$2,000,000, consisting of 200,000 shares of the par value of \$10 each. Then commenced an historic piece of depraved finance.

In 1901 the Amalgamated Copper Company increased its capital stock, mostly fictitious, from \$75,000,000 to \$155,000,000, by the creation of 800,000 more shares of capital stock of the par value of \$100 per share.

All this time Henry H. Rogers was the president of the Amalgamated Copper Company, and in 1901, for "appearance sake," he retired from the presidency of the company for six weeks, and Anson Flower took his place. In this historic six weeks the deed was done. The six weeks were an incubating period. The majority, and only the major part of the capital stock of the Boston & Montana Mining Company, and the majority, and only the major part of the capital stock of the Butte & Boston Mining Company were transferred by Henry H. Rogers, or his nominee, to the Amalgamated Copper Company, to provide the new capital for the increase of \$80,000,000 of capital stock. In other words, the majority of the capital

stock of the Boston & Montana Company, and the Butte & Boston Company, were transferred to the Amalgamated Copper Company at just the prices they pleased and the directors approved. For example, the capital stock of the Boston & Montana Mining Company of the par value of \$25 was exchanged at the rate of 5 shares of capital stock of the Amalgamated Copper Company of the par value of \$100 per share, which were then selling for \$128 for every share. In other words, the Boston & Montana capital stock of the par value of \$25 were charged to the Amalgamated Copper Company at \$500, and the selling price of these 5 shares had been boomed up to \$128 per share, or \$700 for the 5 shares. In other words, H. H. Rogers obtained \$700 in cash for each share of the Boston & Montana Company which had been charged to the Amalgamated Copper Co. The Amalgamated Copper Company's shares afterward fell in price to \$33. Thus, the shares of the Amalgamated Copper Company for which Rogers, for the Standard Oil Company, obtained \$700, were afterward sold for \$165, and the difference of \$535 for every 5 shares went to the treasury of the Standard Oil Company, and thereby the American public were impoverished and made less capable for using the products of the country, and many were actually ruined. Before this, H. H. Rogers, on behalf of the Standard Oil Company, had charged 800,000 shares of the Anaconda Copper Company to the Amalgamated Copper Company at \$60 per share, which had been bought at less than \$30 per share, and of which the par price was \$25 per share. The Anaconda shares were afterward boomed up to \$72 per share. All this bluffing and pocket-rifling was the method used to grasp the money of the public, and every intelligent American will perceive how this nefarious bluffing is injurious to all honest and legitimate trading, and how easily the country's resources and wealth are being ac-

§ 1. THE AMALGAMATED COPPER COMPANY

quired by persons who are morally unfit for either possession or control.

The transfer of the Butte & Boston shares and the Boston & Montana shares had been delayed until the highest point of price of the Stock Exchange for Amalgamated Copper Company shares could be boomed. That was the time when this transfer was completed, and the time that H. H. Rogers retired for six weeks from the presidency of the Amalgamated Copper Company. When this work was completed the Amalgamated Copper Company's capital stock had been boomed up to \$128. Every possible device and pretext was used. A copper selling company was exploited. The object of this company was to keep secret all sales of copper and all productions of copper, so that the increased output of copper by the mines because of high prices, and the diminishing sales of copper because of high prices, could be kept in the dark, and not disturb the booming of the Amalgamated Copper Company's capital stock. Meanwhile, the stocks of copper had increased and the consumption of copper had decreased. The natural law of diminished demand by a fictitious inflation of price came into active operation. Then was found the time for selling at \$128 all the shares of capital stock. And then was the time to begin selling Amalgamated Copper Company's capital stock at high prices for future delivery, which the Standard Oil Company had not, but which it would buy later when prices had fallen. Short selling for future delivery of capital stock, which it had not, commenced in batches of twenty thousand shares a day. This meant a gain of a million dollars a day without any investment of capital. This is what is called selling short. It is like selling cotton in January at 10 cents per pound, when you know that in June you can buy it for 5 cents per pound, and then make delivery. To promote a slump in

prices the banking baby of the Standard Oil Company, the City National Bank, which declared how readily it would advance on Amalgamated Copper Company's stock when they were first issued, now refused to advance upon them, and looked upon them with a sneer, and thereby gave them a black eye. When shares of bogus capital stock, costing only paper and printing, can be boomed up to \$128 and then sold, every thousand shares will give a net profit of nearly \$128,000. This is just what was done with the bogus capital stock shares which the Standard Oil Company had manufactured. In common Stock Exchange parlance, this is selling long. But the selling long is always completed before the commencement of the "selling short." Selling short is then commenced, followed by a bombardment and bearing of prices, the banks increase their rates for loans upon the "beared" stock, the stock-juggler announces to the investor on margins that the stock must be sold; the price then falls, the seller who sells short has not a single share. But he sells just below top-notch prices and makes delivery of shares by borrowing, and buys after the wreckage, at wreckage prices, and makes delivery then of those which he has borrowed. This was a splendid part of the bear operation by which, after Amalgamated Copper Company's bogus capital stock had been boomed up to \$128, and then sold, the authors were able to sell short at about this price, and borrow to make delivery until the prices fell. Then, after the fall, they were able to purchase around \$50, and then replace those which they had borrowed. When a share of bogus capital stock can be boomed to \$128 and sold at this price upon a cost of only paper and printing, the plunder is great. When 20,000 shares at \$127 can be sold per day, for future delivery, for the seller to buy later at \$57, after the wrecking, the daily gain is about \$1,400,000. The entire loss to the lambs and others who have

been cajoled into buying Amalgamated Copper stock at \$128, upon the 1,550,000 shares was \$129,000,000, and the gain to Henry H. Rogers and others would be the like amount.

The problem would be interesting, how much vice and how much virtue, and how far hereditary predisposition, and how far habitual practices control the morals in operations like these, which so devastate innocent and confiding people's homes and lives; and to what extent is the compensation made to these sufferers and the public whose rectitude has been so violently offended by the erection of colleges and churches with beatitudinal windows.

THE STEEL TRUST.

HOW THE PLUNDER WAS EXTRACTED FROM STEEL.

Always, when prices are low, the consumption is increased, and then more factories are wanted, and more labor is necessary. Always, when prices are increased, fewer factories and less labor are wanted.

Whenever higher prices are squeezed from the people, and lower wages are ground from the wage-earners, to provide dividends for bogus capital, the people must buy less, and the wage-earner must have less to buy with. When less steel products are used, because of higher prices, less steel products are produced. When less steel products are produced, factories must close, and the steel-workers must cease to work. When fewer factories are wanted less labor is used, and then there are fewer consumers of the country's products. Then, less must be produced. Then, other factories must close, and other workers must be turned off, and then the suffering and privation are increased at a compound rate.

THE steel industry of the United States is of vast importance to the nation. By the production and delivery of steel products at economical costs it can promote the comfort and well-being of the people, as well as provide larger employment to wage-earners generally, whose consumption of American products can benefit other workers and the country at large. Next to agriculture the steel industry ranks the foremost and is the largest of all the manufacturing industries.

The improvements in the manufacture of steel by labor-saving appliances and modern utilities during the last twenty years have been very great. Fewer workers now produce more products, and it may be generally stated

that the cost of making steel products in 1902 was considerably less than half the cost in 1870. In one important branch of the industry the means of production have been so improved that within the past few years the costs have been reduced more than 60 cents on the dollar. In the modern, up-to-date manufacture of steel the iron ore is now run in from the mines by machinery, then worked by machinery, until it comes out by machinery in the finished product.

In 1870 the amount of steel products of the United States was \$207,208,696, and the capital charged by the different steel establishments of this country was \$121,772,074. Therefore, the average capital charged in that year to produce a dollar's worth of steel products was 58 cents. But some of this capital was fictitious, although charged as real. In 1899 the amount of steel products of the United States was \$804,034,918, and the total capital charged by the different steel establishments was \$590,530,484. Therefore, the average capital charged in that year to produce a dollar's worth of steel products was 73 cents, and then there was more fictitious capital than in 1870. In 1902 the Steel Trust had made its first year's production of steel products, and the amount was \$560,510,474, and the capital charged to produce it was \$1,437,949,862, as the "cost of properties owned and operated by the several companies," besides other liabilities, altogether approximating \$1,500,000,000. Therefore, the average capital charged by the Steel Trust to produce a dollar's worth of steel products was \$2.67. But in 1902 the Steel Trust, by doubled prices as compared with 1899, delivered only one-half the weight of steel products for a dollar, and therefore required only one-half the capital to produce them. Thus, we see that the charge for capital by the makers of the Steel Trust was practically \$.34 to produce a dollar's worth of steel products, which in

1899 were produced by all the different steel establishments for 73 cents, an increase of more than seven-fold. This means that for every dollar of actual and fictitious capital which was in the steel industry in 1899 there were more than six dollars of bogus capital charged in the Steel Trust in 1902. Of course, men could not pay random prices, such as those paid to Andrew Carnegie and others, as well as to themselves, in order to get the chance of juggling charges on to them for more than one thousand million dollars of bogus capital, and charge it as actual money, without serious consequences. The whole was a grand and successful scheme to corral a big slice of the country's resources or wealth by men who never had ownership or possession, who were not handling their own money or property, and the game was to bleed the American people, and it was done in unexampled proportions. In order to perfect the blackmailing programme this bogus capital of the brain had to be provided with dividends of money. In order to provide the dividends of money for the bogus capital of the brain, the prices for steel were doubled and the wages of the steel workers were reduced, and the bogus capital stock was unloaded upon the New York Stock Exchange up to \$99.50 for a share of the face value of \$100. Was ever bleeding so vast or atrocious? Could any poverty-making engine in any period of the world's history be compared with this for its vastness and atrocity? Would any Senator or Congressman who voted for a tariff law to create high prices and produce conditions like these be unwilling to confess that they are undoing the framework of the nation, and that the climax is only a matter of time? Will any Senator who is not in for his pocket say that the doubling of prices of steel products, and inordinate prices for other products, are otherwise than ruinous for the different industries, such as shipbuilding?

It was important to the makers of the Steel Trust that they obtained possession of the Carnegie steel plants, and cost was of no consideration, because the people would have to provide all, whatever the amount might be, and Andrew Carnegie knew this. The larger the combination which can be formed when making a Trust, even when the properties are paid for by mortgage bonds, as in the case of the Steel Trust plants, the larger is the amount for which bogus capital can be created and charged as actual money. This was the scheme in the colossal creation of bogus capital, charged as real money upon the plants of the Steel Trust.

In proof of the prices of steel products having been doubled, in order to provide dividends for the bogus capital, the following are examples: The United States Treasury issues the reports of wholesale prices. In 1895 the wholesale prices for steel billets was \$15 per ton. In 1902 the wholesale prices for steel billets was \$37 per ton, an increase of 166 cents on the dollar. In other words, \$1 would buy as much of the same steel billets in 1895 as \$2.66 would buy in 1902. As proof of the extravagant profits obtained by the Steel Trust, the lowest price for steel rails was \$28 per ton in 1902. In 1903 the steel rail pool, dominated by the Steel Trust, fixed \$28 per ton for 1903 and 1904. Charles M. Schwab, the former manager of the Carnegie Steel Company, and later the president of the Steel Trust, in his published correspondence of May 15th, 1899, with Henry Phipps, then an important partner with Andrew Carnegie in the Carnegie Steel Company, stated that the cost of a ton of steel rails was less than \$12 per ton.

It must not be supposed that payments made for wages cause these high prices, or any pretext for them. The wages paid by the Steel Trust in 1902, to all its foremen and other steel workers, averaged \$2.27 per day, suppos-

ing they all worked six days a week, whereas some worked seven. The payments for wages in the steel industry of the United States, for the different decades, per dollar of output value, was less in 1900 than any previous decade. One dollar of wages in the steel industry of this country produced steel products of the value of \$5.11 in 1870; \$5.34 in 1880; \$5.44 in 1890, and \$6.65 in 1900. Therefore, the steel worker produced 121 cents' worth of steel products for his dollar of wages more in 1900 than 1870. In recent years the wages paid to the steel workers have had no relation to costs or selling prices. This may be said of all the industries which are protected by a tariff law to charge high prices, whereby the consumer is denuded of so many cents of his dollars. The wages paid in the production of a ton of steel billets is \$2, but the selling price in 1902 was \$37 per ton, and in 1895 only \$15 per ton. The same applies to incidental products. In 1895 the price of a ton of coke was 90 cents per ton; in 1902 the price was \$2.25 per ton, or an increase of 150 cents on the dollar. In January, 1904, the wages of the coke industry were reduced 17 cents on the dollar, and the price for coke was maintained. The wages for a ton of steel rails are \$2 per ton, or 17 cents on the dollar of cost, while bogus capital and its auxiliaries receive \$13.41 per ton, or more than 100 cents on the dollar of cost.

In the United States prices have seldom any relation to costs or wages. The price depends largely how much tariff law protection can be purchased, and all in excess of actual costs are good for dividends for bogus capital. The tariff law is a formal permit of the Government given to bogus capital-makers to charge high prices, in order to provide bogus capital with dividends. This is shown in sugar, as well as steel and every other protected industry. The bogus capital makers see dividends just as far as they can obtain protection to squeeze higher prices. Steel rails

have been under the protection of the tariff law for a long period. In 1871 the average price of steel rails in the United States was \$91.70 per ton, and in England in the same year the average price was \$57.70. In 1880 the average price for steel rails in the United States was \$67.50 per ton, and the price in England at the same time was \$36 per ton. Copper also was under the protecting hand of the tariff, and in 1880 the average price of copper in the United States was 20 cents per pound, and at the same time copper in England was 13 1-2 cents per pound. All this protection was unnecessary, but it accomplished all its designers intended. It gave dividends for bogus capital, which, without protection by a tariff law, would be without dividends, and consequently worthless. Tariff law protection has given vast wealth to a class which obtained the privilege of making high prices without interference, in order that they could bleed the American consumers and provide their bogus capital with dividends.

It is without parallel how an intelligent Congress can be found, even for its rewards, to enact a law which is especially designed to take cents from the people's dollars and at the same time disable our industries in their duty to give their products at the lowest possible prices, so that they could be within the reach of all the American people in proper quantity. A complete proof of the injustice of the tariff law is shown by the Census Report of that government which has been mostly the author of the existing tariff law. The Census Report states that in 1900 the average value of output per wage-earner in the United States was \$2,450, while the average value of the output per wage-earner in Great Britain in the same year was only \$500. If the American wage-earner can produce five times as much as the British wage-earner, why is the tariff law required, except to increase the prices inordinately, and thereby

provide those dividends for bogus capital which ought not to exist? It is clear that no protection is needed but to make exceptionally high prices so that the people could, by such means, be fleeced of so many cents from their dollars.

In the making of a Trust, bogus pretexts to make charges are of next importance to that of making the bogus capital, which is never made, except to be charged as the real. As the making of a Trust is the pretext for making bogus capital, so underwriting is a pretext for making a charge, as if some actual work of value had been done. It would be a curiosity to discover any Trust which has not bogus capital charged as real money, and which has not a charge for underwriting for the bogus capital. Were bogus capital made impossible by law there would be no Trusts. Ignorant and knavish Trust-makers talk of economies by making Trusts. No Trust was ever made without bogus capital charged as real money. When there is bogus capital there must be dividends for it, or it is worthless. Dividends for imaginary or bogus capital cannot be obtained except by higher prices, or reduced wages, or both. Can any but imaginary or bogus economies be obtained by these processes. When the prices are higher the dollar buys less. When the wages are lower there are fewer dollars to buy with. When prices are increased and wages are decreased to provide bogus capital with dividends, the people are plundered at both ends, as now. When the people are plundered so systematically and widespread the nation becomes disabled, the due consumption of products becomes impossible, and the members of the commonwealth become degraded, and the plunderers themselves become enervated and debased.

Underwriting in the process of Trust-making is a promise among the conspirators that the scheme shall go through, that the bogus capital shall be realized, not for

the Trust's treasury, but for the Trust-makers. When the Trust-makers underwrite their bogus capital stock, as in the case of the Steel Trust, they guarantee themselves, for themselves, by themselves. The steel industry of the United States required no bogus capital, nor the underwriting of the bogus capital, and yet the charges made and taken in cash for the underwriting of the Steel Trust were more than two hundred million dollars. There were other charges made, such as promoting, organizing, and christening, all done for the benefit exclusively of the bogus capital-makers, and these may be contemplated in dreamland, although every one of the authors, had they been alongside of Whittaker Wright in the English criminal court, would have been more severely reprimanded, and would now be serving a long period of penal servitude.

As an example of how the brigands feasted in the making of the Steel Trust, we will record some of the facts of the Tin Plate Trust, which is a part of the Steel Trust. The tin plate industry is mostly useful for canning purposes, by which the people can use through the year the preserved meats, fish, fruits and vegetables from their seasons. By political engineering and corruption tin plates were taken under the tariff law, whereby the prices could be increased, and the proceeds put into dividends for bogus capital. In 1889, according to the Census Report of 1900, the invested capital in the tin plate industry of the United States was \$6,790,047, but some of this was bogus capital stock. This industry was corraled, first by getting options of purchase upon the plants. The operators never owned or possessed the properties, but they saw how the tariff protection, which had been secured, would allow of such increases in selling prices as would provide dividends for about forty millions of bogus capital to be charged as actual money. They then created a

stock company and christened it the American Tin Plate Company, then created capital stock for \$46,325,000, and juggled this amount on to the tin plate industry. The charge for underwriting the transaction was \$13,355,000 in cash. Thus, the underwriting charges were more than double the actual money invested in the industry. The underwriting was for their bogus capital, the proceeds of which entered their own pockets, and yet the industry was charged extra for the performance of being robbed. The tin plate industry required no underwriting, it required no bogus capital, but the makers of the bogus capital, by which \$6,790,047 was made into \$46,325,000, decided that the bogus capital would be better with a dose of underwriting, and therefore they gave it one, and then took \$13,355,000 in cash for it. This was the manner and the proportions of the bleeding of the American people by the creation of the Steel Trust. The foregoing was the charge for only one department of bogus capital-making, for which the people obtain nothing.

In the creation of the bogus capital charged as real money by the makers of the Steel Trust it is impossible to find a redeeming feature indicating any advantage or justification. The United States steel industry and the American people are called upon every year to make up the exorbitant plundering of the few individuals whose gains were so enormous. The advantages were only for a few; the disadvantages were for the entire American people, less the few. The few gave nothing, and never pretended to give anything, except to make bogus capital and charge it as real money for themselves. When we include the \$50,000,000 charged for underwriting, and taken out of the treasury of the United States Steel Corporation, after all the charges for promoting, for organizing and for underwriting had been paid for creating the different Steel Trusts which constitute the parent Steel

Trust, and after the charges for promoting and organizing had been paid by the Steel Trust for itself, and add this sum to the whole amount paid for underwriting, the total charge exceeds \$200,000,000 for only underwriting the United States Steel Corporation and its composite Trusts.

When we examine the luxurious swing shown in the administration charges of the United States Steel Corporation for 1902 as they appear in its balance sheet of that year, and compare them with the administration charges of the entire United States steel industry in 1899, before the United States Steel Corporation existed, they are no more encouraging than the creation of its bogus capital. To produce and distribute only \$560,000,000 of steel products, when the price was doubled, making the quantity of steel delivered one-half, the United States Steel Corporation required, for administration, selling and general expenses, \$13,222,398, or 2 4-10 of the amount of its sales; whereas the entire steel industry of the United States, with 669 plants and 222,607 employees on steel products, amounted to \$804,000,000, required in 1899 for administration, selling and general expenses, only \$11,741,758, or 1 4-10 per cent. on the amount of its sales, for about double the weight delivered for a dollar by the United States Steel Corporation. This is a significant difference in the cost of administration, being nearly four times as much per pound of steel delivered under a Trust as against a partial Trust and private ownership regime.

The examination of every feature is a convincing proof that the Steel Trust was created with no other purpose than to victimize. All Trusts fully refute the arguments invented in favor of Trust combinations and monopolies. The human heart is never fit, and cannot be made fit for equitable doings, when in possession of the power to make bogus capital and charge it as real money, especially when monopolies can be grasped and then protected by a tariff

law, any more than an oligarchy in politics is safe without legal constraints. When these combinations are made, greed and grasp are rampant, and morals are forgotten, except by putting up a beatitudinal window afterward.

But it may be urged that this is only an odd Trust, where the plunderings are so incredible. The extent of the plundering is not exceptional; it is ordinary, and these doings are an everyday event. It may be urged that the United States Steel Corporation, the parent Steel Trust, has some reputable names on its directory and is the most respected of Trusts. Let us examine another of its composite Trusts. According to the United States Census Report for 1900, the steel and iron pipe industry of this country, with all its establishments, had a total invested capital of \$18,343,000, but much of this was bogus capital stock, and charged as real money. Their plants were corraled in the usual way, and \$80,000,000 of capital stock was created, and the whole was charged to the pipe industry as real money. When the American users of steel and iron tubes had to obtain them they had to pay increased prices to provide dividends for these fictitious charges for capital, and steel and iron tubes were so advanced to provide, and did provide, dividends upon all this bogus capital, to the extent of more than 5 per cent. per year, up to the time the National Tube Trust was absorbed by the United States Steel Corporation. It may be urged that only the Steel Trust had the audacity and turpitude to issue such creations of the brain, representing only air, to be charged as real dollars to the American people. But most Trusts are worse than this. Whoever examines will see the effect, the punishment, and the privation created for the American people by the different Trusts, and how they inflate the costs of production and make dollars worth less. The foregoing statements upon these representative Trusts show vast sums of money

which non-producing stock-jugglers put into their pockets for nothing, obtained by practices no better than those of card-sharpers and policy shop owners. The resulting loss to the entire American people, in the aggregate, by the making of this one Trust, is equivalent to taking all the dollars obtained by the exports of all our manufactures for two years, and giving them to sets of men who would use them to enslave all the others, and produce indolent and ostentatious and non-producing families.

It is true that the plunderers buy products in the United States, but they are mostly luxuries, and often the money is spent in foreign countries. When we consider the gains by the underwritings of the subsidiary companies of the United States Steel Corporation, the underwriting of themselves, for themselves, to be paid to themselves, by themselves, out of the resources of the country for nothing, we must dismiss from our minds all the other gains and confine ourselves to the gains by the underwriting process purely. We are not informed that the underwriting of the United States Steel Corporation was a guarantee of the programme. Were it so it would be highly advantageous for the respective shareholders of the United States Steel Corporation, under eventualities which ought to be inevitable, and will be when the moral sense of the people is properly awakened. The bogus capital is charged to the steel industry as real money upon the false pretences that the cost of the properties of the Steel Trust was \$1,437,494,862. In the report of the United States Steel Corporation of the 17th of February, 1901, signed by twenty-four directors, the two first being J. P. Morgan and J. D. Rockefeller, the balance sheet of that report states that the "cost of properties owned and operated by the several companies is \$1,437,494,862." Of course, this is a versatile piece of Trust bluff, which, were it made by a set of needy boot-

blacks, would have created no surprise. The two figure-heads of the balance sheet know well that this sum was never paid, and that nothing like it was ever pretended to be paid, and that the costs never were as stated. It is difficult to discover where was the discretion of its authors. Where were their morals? Where was the legal advice of the lawyers when such a bogus statement, of such far-reaching consequences, was made? Some assets of its authors exist in England, as well as some of the bogus capital stock certificates, and in that country the law is painfully clear and summarily operative with the creators of bogus capital and the misrepresentations and fraud used to unload the bogus capital stocks. All these twenty-four directors who vouched for the statement that the properties owned and operated by the United States Steel Corporation on the 17th of February, 1901, did cost \$1,437,494,862, are responsible by their persons and properties to the past as well as the present shareholders for all and every loss. All of the bamboozled shareholders can recover at law from these directors, and it is likely that the intelligent jurors will make them liable to the full amount of the capital stock, as well as for the \$50,000,000 taken for underwriting, after the date of the creation of the bogus capital, and then give them back the properties they have vouched for. This is only American, English and Roman simple jurisprudence. The motive for making this significant misrepresentation of actual cost, by the directors of the United States Steel Corporation, is not difficult to find. The spurious could not be transformed into the genuine money without an effort and a particular kind of bluff. And the method and the bluff are of the kind we have explained.

When we digest the figures showing the many appropriations of the authors of the Steel Trust we labor in vain to discover any pretended services rendered to the

United States steel industry ; and when we see the burdens which stock-jugglers have put upon the American people for no equivalent intended and designed to be perpetual, the mind wonders however the audacity could be developed, and however the American people could be so quiescent and tame under such conditions.

The United States Steel Corporation, known as the Steel Trust, has an interesting progeny. It comprises the Carnegie Company, the Federal Steel Company, the United States Steel Company, the American Steel and Wire Company, the American Tin Plate Company, the American Steel Hoop Company, the American Sheet Steel Company, the American Bridge Company, and some half dozen other smaller companies. All these were Trusts, in the ordinary sense of that word, before they were re-Trusts by the Rockefeller-Morgan element. All of them had fictitious mortgage bonds when they were independent Trusts, before they were combined and further fictionized under the name of the United States Steel Corporation.

The Carnegie Steel Company was a model of efficiency and economical production in the steel industry. It had incomparable facilities. It had its own iron ore, its own steam railroad for transportation, its own coal supply, its own coke ovens, and the time can be recalled without burdening the memory when its incorporated capital stock was only five million dollars. The tariff law, which protected steel so largely in making high prices, has made magnates of the Carnegie owners. By tariff protection of high prices, steel millionaires grew like plants in the tropics. In 1900 the capital stock of the Carnegie Company amounted altogether to \$160,000,000. This was a large capitalization and represented anticipated future earnings by increased prices for steel, and as steel rails costing \$12 were sold for \$35, and steel billets were raised

from \$15 in 1895 to \$35 in 1900, we can see how the inflated capital stock could be made real.

The Carnegie Steel Company was always independent. It had no mercy for its opponents. It had contempt mingled with pity for its feeblers competitors, which had been formed into the Steel Trust and burdened by enormous creations of bogus capital stock, which had, by all means, to be provided with dividends. The United States Steel Corporation was created to corral all the different Steel Trusts which had their different steel plants. All possible plants had been corraled by the control of their capital stock by the United States Steel Corporation. But there was one formidable rival which was not a Trust but a private concern, in which the fictionized capital was comparatively small, and therefore it was less encumbered than any of the plants of the Steel Trust.

The Federal Steel Company was one of the first combinations of steel plants into a Trust. It comprised four Illinois steel companies, each of which had capital stock of its own before it was subjected to a further capital stock creation, under the name of the Federal Steel Company, and resubjected to further stock capitalization under the parenthood of the United States Steel Corporation. The Illinois Steel Company was the principal company constituting the Federal Steel Trust, and its previous precarious existence and sickness under receiverships was well known. When the Federal Steel Trust was born it simultaneously produced \$99,245,200 of bogus capital stock, and with its birth and afterward it carried \$26,557,056 of mortgage bonds liabilities. The professional charges for promoting and organizing were duly rendered and as readily paid. The underwriting charges alone were modest and natural, only \$29,500,000 in cash, counting the price of preferred shares at \$93.50, and the common shares at \$75, at which they were sold on the New York Stock Exchange.

The National Steel Company comprised eight steel companies in Pennsylvania and Ohio, and upon its being christened with the name of the National Steel Company it gave birth to \$59,000,000 of bogus capital stock, less about \$9,000,000 of actual value. It can be imagined that the christening and birth-giving and various processes of promoting and organizing and underwriting were arduous and exhaustive, consequently, the underwriters' charges were only a little under \$16,000,000 in actual cash. The amount of underwriting was settled in this way: They settled for themselves that the underwriting charges should be no more than 34 1-2 per cent. on the value of the respective securities issued, which were \$27,000,000 of preferred and \$32,000,000 of common shares. They were sold on the New York Stock Exchange up to \$99 3-8 for preferred and \$63 for common.

The National Tube Company was a most profitable Trust creation. The United States Statistical Report shows that the iron and steel tube industry of the United States had an invested capital of \$18,343,000, but some of this was fictitious because of the capital stock representing considerably more than actual value. The different plants were cornered prior to February 15th, 1899, and under the name of the National Tube Company they were christened and rejuvenated, not by new machinery or any other economic improvements, but with bogus capital stock, to the amount of \$80,000,000. These were boomed on the New York Stock Exchange to \$105 1-2 for preferred, and to \$69 7-8 for common. The issue was \$40,000,000 of each. The professional fees for the varied work of promoting and organizing and underwriting, although not worth a cent to the industry, were duly charged and as promptly paid, but the amounts have not been disclosed.

The American Steel and Wire Company comprised a number of wire and nail plants in eight different States of the Union. Some of them had endured a very eventful life and a very struggling existence, and some of them were of very doubtful quality. "But the more the merrier" is the motto of Trust manufacture, and in any event, numbers meet inquiries as to asset values of the brain creations of bogus capital stock. However, the capital stock creations of this company were \$90,000,000, and the promoting, organizing, and underwriting charges, without other incidentals, were an eye-opener. The professional fees for underwriting alone were \$32.15 on every \$100 of the amount of \$75,000,000. The preferred sold up to \$106 3-4 and the common sold up to \$72. If the professional fees realized these prices, the actual cash acquired for underwriting for services of no actual value to the steel and wire industry was \$36,000,000.

The United States tin plate industry, according to the statistical reports of the Government, had an invested capital of \$6,650,047, and by a process of conversion its actual capital of \$6,650,047 was interwoven with bogus capital stock creations, which became altogether \$46,325,000, and it had purchase money mortgage bonds besides. The conversion was made in the name of the American Tin Plate Company. The professional fees for underwriting, excluding those for promoting and organizing, were \$13,365,000 in cash, or more than double the amount of the actual invested capital in the industry. The preferred shares sold up to \$92 and the common sold up to \$56 1-2, and both were provided with regular dividends as if they represented real money.

The American Steel Hoop Company was a combination of which it is difficult to discover the elements, but unmistakably it was intended for steel hoops, and being for steel hoops, its capital stock was \$33,000,000. It has not

disclosed what the respective charges were for promoting, organizing and underwriting, but in view of the treatment received by the other babies of the parent Steel Trust, it would be reasonable to expect that they approximated 40 per cent.

The American Sheet Steel Company comprised twenty-six nail and other iron and steel producing plants in Ohio, Indiana and Pennsylvania. Every ramshackle and sickly business was included in these plants, and therefore the capital stock was only \$49,000,000, just one under \$50,000,000, for it is important in the name of Trust not to use round numerals. The Trust was duly christened and the different charges for promoting, organizing and underwriting were duly paid, but they were not disclosed.

The composition of the American Bridge Company comprised twenty-six iron and steel companies, and all the States of the Union had been hunted to secure them. A financial report published in 1901 states: "In the event of a dissolution, the preferred shares shall receive the par value and assured dividends; but before any amount shall be paid to the common stock." However near its dissolution it may have been, all chance of it was prevented by its being taken under the parental wings of the United States Steel Corporation. The same report states: "No estimate can be made of its actual assets, no amount of outstanding securities is known." These extracts will explain why the creation of the capital stock was only \$75,000,000. The professional charges have not been divulged.

The corraling of an industry or any other resource of the country, by creating bogus capital and scampering off with the proceeds, and leaving the entire amount as a permanent debt, to be provided with dividends by higher prices and lower wages, is the most destructive of all means of sound and healthy trade and commerce. When

prices are advanced, less products are used at home, and exports are shut off for abroad. When demand is reduced, factories must close and wage-earners must be without work and compete with each other. When wage-earners are without work, or when they are reduced in their wages, especially when prices are high, the normal consumption of the country's products is impossible. Then trade becomes disorganized and later becomes paralyzed. Were the steel industry for the American people, and not for a few stock-jugglers, who are in it only to create bogus capital and charge it as actual money, a ton of steel rails could be sold for \$15, and all legitimate capital and incidental costs would be liberally provided for. C. M. Schwab has stated that a ton of steel rails is made for less than \$12 a ton. Allowing for transportation from Pittsburg to New York, Boston, or Philadelphia, \$1.75; for selling commission, 24 cents; for actual capital to produce a ton of steel rails, \$6, and allowing 10 per cent. interest upon this actual capital, the total actual cost for all would be \$14.59, which would leave 41 cents per ton as an additional payment to labor, whereby it could spend more upon those industrial and farm products which would largely contribute to the trade of the country. At the price of \$28 per ton, as fixed by the steel pool for 1903 and 1904, \$13.41 are left for the bogus capital and the other victimizing charges.

Were the bogus capital eliminated from the steel industry of this country, the adjusted prices would create demand, the transportation would be increased, labor would be wanted, trade would be invigorated, and other departments of trade and commerce using steel products would receive fair play and be rejuvenated.

Under such unexampled conditions a flood of inquiries involuntarily arises in the mind, and a few are answered by the following replies :

A. Did the makers of the Steel Trust own the steel plants?

B. No.

A. Did the makers of the Steel Trust obtain possession of the steel plants?

B. No.

A. Did the makers of the Steel Trust pay for the steel plants with their own money?

B. No.

A. Who did find the money to pay for the steel plants?

B. The bondholders.

A. How did the makers of the Steel Trust obtain a standing to begin the operations?

B. They obtained options of purchase, to be completed by the bondholders' money, regardless of all high costs, because everything was for the creation of the bogus capital stock, which was to be charged as actual money. Consequently, the general consumption becomes smaller, trade disorganization is caused.

A. What becomes of the stock-juggler who has obtained the proceeds of the bogus capital stock?

B. There are two periods of harvest-time for the stock-juggler. One is the time of boom, when he sells to the lambs. The other is the time of gloom, when he slumps and corrals the lambs' money.

Besides the more than a thousand million dollars of bogus capital which was charged as real money to the steel plants of the Steel Trust, as a stock-juggling method of bleeding the American people by higher prices for steel products and lower wages for the steel workers, there were enormous over-payments made to Andrew Carnegie, which contribute largely to accomplish the same purposes. It is a conservative statement that Andrew Carnegie took \$200,000,000 more than was equitable and just for only his 60 per cent. interest in the Carnegie steel plants, which

he sold to the Steel Trust-makers, who were indifferent to the costs if they could only corral the properties for bogus capital purposes.

A. How did the makers of the Steel Trust obtain the power to create more than a thousand million dollars of bogus capital and to charge it as real money?

B. Because there was none to prevent them. It is a customary method, which has been proceeding for forty years in this country.

A. How do the makers of Trusts make up the money they so appropriate from the country's resources?

B. They do not make it up. The American people make it up by higher prices for the products of the industries and by high charges for transportation of the railroads, which are pledged. The makers of the Steel Trust doubled the prices for steel products and reduced wages for producing them, and thereby dividends are made. When a slip of paper, called a capital stock certificate, is provided with dividends, the bogus capital maker can sell them on the Stock Exchange, like corn in the corn market, and the larger the dividends, the more dollars will they sell for.

A. What becomes of the steel industry then?

B. It is worked by the men who are the shareholders, who have bought the bogus capital stock, and their object is to make dividends for the capital stock which they have paid for, and if there are no dividends their capital stock becomes worthless.

A. What becomes of the steel industry then?

B. The high prices reduce the use of steel, as the use has been greatly reduced; and they prohibit the exports of steel products, which are shown by the enormous falling off of steel exports since the Steel Trust was created. The reduced consumption of steel products means the closing of steel factories and the discharging of steel workers,

which causes the reduction of consumption of other industrial and farm products. The reduction of wages means that the people must possess fewer dollars to buy with, and the higher prices mean that they can get less for their dollars.

THE RAILROAD TRUSTS.

HOW INALIENABLE PUBLIC PROPERTIES HAVE BECOME PRIVATE ESTATES.

ALTHOUGH the railroads of the United States have been declared by the United States Supreme Court to be necessarily inalienable public properties, they are treated as private estates. It is true that there is a pretence of surveillance by an Interstate Commission. But this is powerless, and in its seventeenth annual report it practically makes this confession: An offending agent of a railroad can openly decline to give evidence in a court of law, and by the Elkins Law, which President Roosevelt signed in February, 1903, they are immune from imprisonment, and only liable to fines, which are only a fraction of the gains. Moreover, appointments to the Interstate Commission are donated as spoils for political services, and it is very reasonable to suppose that purchase by a railroad will obtain everything, if the price is only high enough. When Boss Platt, of New York City, was being bereft of his political power, which he had wielded so long, he pleaded for the retention of one department, and that was the control of the Railroad Commission of New York State.

It is a marvel that American free men will permit a "boss or even a district captain" within talking distance. All are in for personal gain, and to enslave the people, and make them poorer, and their lives harder and more difficult. That sets of men can appoint themselves to positions of power to make the people poor, and put them into

slavery, and be accepted as political leaders for the good government of the country, is discreditable to the intelligence, as it is injurious to the well-being of Americans. Every such boss or district captain is in to make the dollar buy less, and were Americans true to themselves and the future of the race, they would drum every political boss and every district captain out of the neighborhood.

The seventeenth annual report of the Interstate Commerce Commission, constituted of bi-partisan politicians, frankly confesses that the country is in the grasp of the railroads, and its alarm over the inordinate and general increase of their freight rates. All this is natural, and it will proceed indefinitely until bogus capital stock and mortgage bonds charged as real money are wiped out by law. This Railroad Commission practically states that there is no remedy for the exorbitant charges of railroads until hard times come. This is a remarkable comment upon the charges for transportation, upon the country's railroads, which are inalienable public property. It appears that not until the American people are prostrate in the throes of hard times and adversity, will the wrongdoings of the men in wrongful control of the country's railroads be checked, and not until then will charges for transportation be just and equitable.

The report of the Commission is made at a period of unexampled prosperity, when railroads were obtaining larger freight and larger freight rates, and consequently larger earnings, per mile than ever known. But such is the insatiable greed for interest and dividends for mortgage bonds and capital stock, which ought not to exist, that the Interstate Commission mentions its alarm upon the inordinate increase in freight rates, upon the power of the railroads to grant preferences without departing from their terms, that the complaints upon transportation charges are double those of the previous year, and four

times as many as the year before, and that the increases are general, and amount to an enormous sum.

The general effect of these increases in freight charges has been to augment the unjust tax for private purposes placed upon the body of producers and consumers of this country, and to put a prohibition upon our exports. The report also states that the increases in freight charges are usually, if not always, made after preconcerted action by the different railroads. In other words, the aim for dividends for a capital which never existed is the supreme factor.

The Interstate Commission frankly confesses its helplessness and states that there is no way by which these increases in charges for transportation can be prevented. When President Roosevelt signed the Elkins Law on February 19, 1903, all pillagers of the people, by Trust greed and rapacity, are delivered from the penitentiary, however iniquitous their doings, or whatever may be the amount of their plunderings, when they hinder or refuse to give evidence, or produce papers and books bearing upon their wrongdoings.

President Roosevelt, by signing the Elkins Law, gave a special license to squeeze the people, so that dividends could be created for bogus capital. The intention of the Sherman Anti-Trust Law was to imprison the officers and agents of the Trusts whenever they refused to give or produce evidence upon their Trust methods or doings. With their large gains, which can be increased so easily, as in the instance of the Beef Trust, a fine became of very small importance, for faster than the courts could inflict them the prices could be increased, so as to make the fines themselves a process of enrichment. By the Elkins Law the wrongdoers are preserved from imprisonment, for it declares that "No penalty shall be imposed on the guilty other than the fine prescribed." The Elkins Law disarms

the people of the only weapon for punishing the criminals who plunder them when they refuse, or get others to refuse or hinder, the investigation of the wrongdoing.

The Interstate Commission criticizes the Elkins Law and points out how the Sherman Law was intended to regulate commerce and to correct two kinds of railroad abuses. First, to assure the publication of tariff rates, which shall be just and reasonable and free from discriminations; and second, to compel railroads to observe the tariffs so published, without exception. Since the enactment of the Elkins Law these conditions have been evaded, as they were intended to be.

All the advantages of the improvements in the means of transportation of recent years are taken by bogus capital, charged as real money, and the increases in charges for transportation as well. All these takings from the general earnings of the public are placed in the pockets of the few.

The operating expenses of the railroads of the United States for the year ending June 30, 1903, were 67.1 cents on the dollar of receipts. In England the operating expenses are 56.5 cents upon every dollar of receipts. In other words, the expenses of operating railroads in England can be obtained for 100 cents, which in the United States costs 118.7 cents. The earnings of the United States railroads in the same year were \$1,890,150,679, or \$9,382 per mile, and the net earnings were \$641,630,196. Were the fictitious capital, represented by capital stock and mortgage bonds in the industries, railroads, and other resources of the country, extinguished by law, the operating expenses of the United States railroads would be no more than 50 cents on the dollar of receipts. Were the operating expenses of American railroads 50 cents of the dollar of receipts, there would be a balance of \$945,000,000 a year, and were the Government in control of the railroads, by issuing government bonds for actual costs,

without the bogus charges, the yearly cost for interest would be only \$180,000,000. This would provide \$665,000,000 a year for the reduction of the costs of transportation, and then, how freedom would be given to trade, to consumption, to production, and what a new and inestimable impetus would be given to commerce and to the national life! The costs of the necessities of life would be less; the cost of different supplies for industries and for railroads would be less; then the consumption and the production would be more; then the people would get more for a dollar, and all around the benefits to the inhabitants of the United States would be immense. Farmers would net more for their farm products, because they would not be afflicted with having to provide dividends for bogus capital, and then they would spend more; manufactures would net more for their manufactures, because they would not be infested with the effects of bogus capital charged as real money, and then they would compete in foreign markets; the people would get more food for the dollar, as well as clothing and home-life, for were all bogus charges extinguished, dividends and interest for fictitious capital would cease to be demanded, like an offensive blackmail. Moreover, the coterie of men who now control the railroads for themselves have handsome niches for their favorites at high salaries, as well as for themselves; and these expenditures would be saved for the people. Under the present system costs of supplies are salted, and much besides would be revealed if the public knew how charges are created, often after the Jay Gould-Vanderbilt-Rockefeller programme of 1874 to 1883, when many of the railroad earnings for freight never entered the treasury of the railroads.

Every possible pretext has been devised in order to create fictitious mortgage bonds and capital stock certificates as perpetual charges on railroads. Whenever earn-

ings could be squeezed out, or even anticipated, or even when they could not be squeezed out or anticipated, mortgage bonds and capital stock certificates have been created by and for the exclusive benefit of a few at the expense of the many. The fictionizing of railroad capital charged as real money commenced as far back as 1850, and then, as now, there was no constituted responsible authority in the country whose fidelity was equal to stemming the tide of personal aggrandizement and the consequent enslaving of the country's resources. As early as the year 1883 the fictitious charges upon railroads, for that year alone, exceeded actual costs by more than two hundred million dollars, and actual costs were frequently excessive and sometimes double the amount they ought to have been.

The acquisition of the control of railroads has been easy. Sets of men using loans from banks have been able to acquire often only temporary control of railroads, and then bleed them inordinately at will, by the creation of fictitious mortgage bonds and capital stock, for which there was no possible provision, except by increased earnings squeezed from the people.

Even the resources of railroads have been used by men in temporary control for their private purposes. Often railroads have been made to acquire coal lands at enormously excessive prices, indirectly, from the men in control of the railroad. Then the same men have mortgaged the coal lands, as well as burdened them with enormous amounts of spurious capital charged as real money. These have thereby become perpetual charges upon the railroads. Later, the railroads have formed monopolies of coal supplies, and then charged such increased prices for coal, as well as for transportation, as would provide all these spurious mortgage bonds with yearly interest and all this spurious capital stock with quarterly dividends.

According to the yearly reports of wholesale prices, the

wholesale price of anthracite coal, monopolized by railroads, was \$2.50 per ton in 1879, and \$4.50 in 1902. This especially applies to the six railroads in control of the anthracite coal lands, which, upon the inquiry of the Coal Strike Commission, were found to be not only bleeding the consumers of coal, but were bleeding the coal miners, and making conditions of living for the mining district more resembling the traditions of Siberia than the pursuit of happiness, under the great Republic, which is to show all other countries that good up-building, as well as liberty, are for all its citizens.

So interwoven with the fibers of greed have these doings become that the President of one of the railroads, in a court of justice, openly declared in sanctimonious tones that Providence had entrusted to such as himself to distribute the wealth of this country to the people who work in this Republic, and probably he thought the creation of bogus capital and charging it as real money was a divine method of doing it. So steeped in iniquity and selfish aggrandizement have these men become that they have lost all consciousness of rectitude and conceptions of morals.

When all restraints are absent men always do for themselves that which will bleed their neighbors and their countrymen, especially when it is so easy and usual and so enormously profitable as the creating of fictitious mortgage bonds and capital stock upon railroads, industries and other resources of the country, since all can be unloaded upon the Stock Exchange and elsewhere. These men not only bleed the consumers and the wage-earners, to whom they would parsimoniously dole out as little as would hold body and soul together, but they bleed the unwary by all kinds of bluff on the Stock Exchange.

Actually, the 5 per cent. mortgage bonds of the United States Shipbuilding Company were unloaded at \$105,

having the face value of \$100, although all the properties had originally cost less than \$5,000,000, and although the amount of mortgage bonds was \$26,000,000, and the amount of capital stock certificates was \$45,000,000. Thus we see that economical production and foreign competition must be ignored, and industrial debilitation and increased hardship and poverty for the people must be allowed, because a few men have set no limit to their greed, and lost, if ever they found, a conception of morality.

The merger of the Northern Securities Company consists of the Northern Pacific, the Great Northern, and Chicago, Burlington & Quincy railroads. Each railroad is inalienable public property. In order to promote the construction of the two former railroads, large quantities of land were donated by the Government. The Northern Pacific Railroad received about fifty million acres, and the land was appropriated, not for the country's purposes, but for private emolument. Each has been charged with excessive mortgage bonds and capital stock, and they are controlled as if they were appanages of the men who have monopolized them for bleeding the American people. Immediately the Northern Securities Corporation could be completed, \$400,000,000 of capital stock was printed and charged as actual money, and then sold on the New York Stock Exchange and elsewhere. These are examples how the different railroads of the country have been used for private gains at the expense of the country's traffic and higher charges for transportation. The same system, if not worse, has been applied to the Chicago, Rock Island & Pacific Railroad. These are held in proprietary by only four men who were creators of nearly \$200,000,000 of fictitious capital of the Steel Trust. Seven years ago "two were insolvent to the extent of \$4,000,000. The wealth of the other two could be counted by a few thousands." By the proceeds of the bogus capital of the Steel Trust

these men obtained control of this important railroad and then treated it like a private estate. They have created within two years hundreds of millions of dollars of mortgage bonds and capital stock, and so manipulated the control of it that no other management is possible than that of these four men, and it is publicly stated that their annual report for 1902 "does not bear the stamp of even an independent audit of the railroad's accounts."

When men borrow \$100,000,000 upon a railroad by issuing 5 per cent. mortgage bonds for that sum, the transportation charges of the railroad must pay five millions a year for interest. In the same way, when men create capital stock, the railroad is charged with the amount, and it exists as an indebtedness, just as if the money had been borrowed. The same applies to industries. These are the methods by which Trust-makers have corraled railroads and different industries of the United States, and the cause of the higher prices for all commodities, and the cause of unnecessarily high transportation charges. The men who have created these fictitious capital stock certificates and mortgage bonds have done nothing for the people or the country in exchange for the money taken by the sale of the mortgage bonds and capital stock certificates which they created, although they exist as permanent charges, like a mortgage upon real estate. If a railroad has only the prospect of earnings which can be legitimately or illegitimately enforced, more fictitious capital stock certificates and mortgage bonds are created by the men in control.

Railroads have been declared again and again by the Supreme Court of the United States to be inalienable public highways, for the exclusive benefit of the public, in order that it can have the cheapest and most efficient transportation. Therefore, the railroads cannot be continued for the private purposes of the few. The right of eminent domain exercised by the different States of the Union can

be used only for public benefits and purposes, and not set apart for private gain. It has been declared that were one of the States of the Union to exercise the right of eminent domain, so essential to the construction of all railroads for private interests, its exercise thereof would exceed the power which can be delegated to State Governments by the United States Constitution. Therefore, railroads are inalienable from the public, and when private persons charge them with unnecessary or fictitious charges for private purposes, such as fictitious mortgage bonds and capital stock, they do that which is invalid and illegal, and their persons and property ought to be legally liable in law.

No process of reasoning or pleading can justly declare that the tampering with railroads, as well as with the other resources of this country, in order to bleed them with yearly charges for interest and dividends for imaginary creations, for private purposes, is other than the most effective undoing of the nation, and directly in restraint of trade, and therefore within the pale of the Sherman law, and therefore illegal.

The franchises or charters given by States for railroads have two powers. One is to issue mortgage bonds to construct and equip, and the other is to use the right of eminent domain, so as to condemn needful properties for the construction of the railroads. And when either of these powers are used for other than public purposes, by which the public would be benefited, the powers are thereby invalid and illegal. The question is not what powers have been conveyed. The State cannot exercise its powers of eminent domain for private purposes, and when it does so, such exercise is invalid. Whatever the different States may have done, or whatever may be said that the different States have done, every exercise of the right of eminent domain for personal benefits or private purposes is invalid and illegal, and were citizens to com-

bine and proceed at law, the United States Supreme Court, if not the courts below, would declare again that all railroads are public highways and cannot be trammelled with any charges for private purposes, which so directly restrain trade.

The courts of the United States have often declared that it is contrary to the Constitution to take land from its lawful owners, as railroads have done, and require to do, in order to construct, for other purposes than public benefit. They have declared that railroads are not private, and cannot be made private properties. This is proven by the railroads not being altogether free from legislative control. The right of the State to regulate railroads is affirmed by numerous court decisions. It is affirmed by the inability of railroads to refuse to transport, or to charge any tolls they please. All this declares that they are public institutions, and that when a few men cook their accounts in order to prejudice and buy, or boom and sell their capital stock and mortgage bonds, they are trifling with public property, which, in any sense, cannot be considered their own.

The audacity and greed of certain men who have capitalized the resources of the country appears boundless, and it is apparent that they would stop at nothing short of possessing the control of all the country's resources, and then industrially enslaving the American people completely. We have continually drummed into our ears the quality and efficiency of labor and machinery in the United States, the abundance and quality of raw material. All these are exceptional. But all their exceptional values and more are taken by dividends and interest for fictitious capital stock and mortgage bonds. The same is true with all supplies. There is no remedy to obtain the wholesome, efficient rehabilitation of industries and railroads of the Republic other than the extinction of all capital stock cer-

tificates and mortgage bonds which were not bona fide representations of value when they were created. When men know that they can squeeze dividends by higher charges, and that the larger the dividends the more they can realize for their bogus creations, the inducements to create them are enormous.

The defect of our Democracy is that there is no permanent responsible authority. When men are in power they are continually accommodating themselves to men's purposes, in order to remain in power. Everybody seems after financial graft, or commercial graft, or legal graft, and when one is grafting the other is winking and waiting for his own chance. According to the public press there would have been no opposition to the merger of the Northern Securities Company but for the Democratic party making the Trust issue the first plank of its platform for the next political campaign, and in order to take the wind out of the Democrats' sails, the Republican party started an expedition after the Northern Securities Company, although the Republican party, by President Roosevelt, have partially negated the Sherman Anti-Trust Law by the Elkins Law.

Railroads have been charged with bogus capital in order to get the certificates and deliver them for sales made upon the Stock Exchange. In 1868 to 1871 Jay Gould privately increased the capital stock of the Erie Railroad from \$17,000,000 to \$78,000,000, and appropriated the proceeds and then purchased the legal authorities. Later, President Watson, of the same railroad, about doubled the amount of its mortgage bonds for private purposes, and these now exist as a debt upon this railroad, and transportation charges have to provide them with dividends as well as interest yearly. Often a franchise has been obtained for the building of a railroad by one syndicate, and this syndicate has salted it by vast charges for obtaining

the franchise. Then it has been turned over to another syndicate for construction, and this syndicate has salted it by vast fictitious charges for construction. Then it has been salted for its equipment by further fictitious charges. Then it has been salted again by the syndicate which was to operate it, and the charges for transportation of the country's products have to provide yearly interest and dividends for all.

The South Pennsylvania Railroad was started by Commodore Vanderbilt by a syndicate of his clerks to construct, and he charged \$15,000,000 for construction, after a responsible contractor had offered to construct it for \$6,500,000. But this was only the construction end of the transaction, by which the construction syndicate obtained the construction plunder. There was another syndicate to raise the money by mortgage bonds and capital stock, and when they had finished with it the railroad was in debt for \$40,000,000. When the railroad was completed there was a charge of six dollars of fictitious mortgage bonds and capital stock for every dollar of money paid out. The railroad had then been loaded with \$40,000,000 of charges, instead of \$6,000,000 of charges, and the difference has to be carried and provided for yearly by more industrial enslavement of trade and commerce, as well as the enslavement of the American people.

The men who obtained the franchise for the Central Pacific Railroad commenced by getting together \$159,000, and according to the Government report to Congress the railroad was charged with \$159,000,000, and it had cost less than \$59,000,000. Another of the many instances is the Philadelphia & Reading Railroad, one of the anthracite coal railroads, which caused the anthracite coal strike, and whose president stated in a court of enquiry that Providence had given the wealth of the country to be distributed among the workers of the nation by such as him-

self, whose company was then paying less than 16 cents per hour to the anthracite coal miners, and was then charging them \$2.75 for blasting powder which cost only \$1. Doubtless, this example of old-time superstition believed that the creation of bogus capital stock, and charging it as real money, was the method of giving effect to such gross superstition. The directors of the Philadelphia & Reading Railroad have surreptitiously enriched themselves by securing properties in their private capacity, and have then charged them to the railroad at enormous profits.

It has been the custom for men to conspire together to put railroads under a system of blackmail. Banks and bankers would often be in the swim, and with the use of depositors' money they would obtain only temporary control of a railroad, and then load it with millions of dollars of fictitious charges for themselves. Often they would pay dividends without regard to earnings. In 1868 the New York Central paid a dividend of \$80 per \$100 share of bogus capital stock, and eleven months later a dividend of \$27 per share of \$100 of bogus capital. The Hudson River Railroad paid one year \$85 per \$100 share of bogus capital stock. In the years from 1870 to 1876 the Philadelphia & Reading Railroad paid dividends of \$40 per \$100 share of bogus capital stock. Numerous other railroads have paid large dividends without regard to earnings, all of which were extracted from the public. The Atchison & Santa Fe Railroad paid a dividend in 1881 of \$50 per \$100 share of bogus capital stock. These large dividends not only enriched the men who had obtained control, and often only temporary control, but they were used to boom the stock market, and then the opposite was done in order to depress the stock market. When Vanderbilt used to manipulate the stock market he would boom the railroad stocks to inveigle the lambs in, and when this

had been completed he would manipulate the stock market in the opposite direction, in order to squeeze them out of the same shares at slumped prices. When Vanderbilt controlled the Lake Shore Railroad, as well as the New York Central, he took the traffic of the Lake Shore and gave it to the New York Central. By this the earnings of the New York Central were increased, and the price of the stock was boomed up, and the Lake Shore had been bombarded down, as they were intended to be boomed up and bombarded down. Before the booming up had been developed the orders to the stock broker to buy had been given, and the orders to sell had been given of those stocks which were to be slumped. Always before the slumping was started orders had been given to sell thousands of shares, which were to be bought after the slump had been made effective.

While this seething forge is being applied to human beings in order that a few can become inordinately rich, and the remainder become more and more harassed and poor, the stock-juggler is developing families of no more actual worth to society or the nation than non-producing paupers, except that their luxurious living is vastly more inconvenient and costly. In the meantime, the stock-juggler proceeds on his pathway of gambling rapacity, more disastrous to society and the honest tradesman than gambling houses. The bogus capital maker does not finish with the bogus capital stock when he has charged it as real money and scampered off with the proceeds. He has a never-ending Zoological show in Wall Street, and before they are done with all the lambs come out shorn of their wool. All the predatory methods are the best which the basest of human ingenuity can devise, and are free from all restraints, and sometimes the Governor of the State is one of the gang.

The stock-jugglers have enslaved the different resources

of the country, as well as the wage-earners who produce their dividends, by hard work for long hours and often reduced wages. They have enslaved the general public to provide them with dividends by higher prices, and then they rifle the pockets of the lambs, who can be inveigled into their area and bluffed into buying, and then squeezed into selling. The only strata of society which the stock-juggler does not lay under the worst of blackmail are his confederates.

Often the banks, often their officials and directors, often the brokers and newspapers are in the swim with the stock-juggler in his marauding expeditions. To boom the price of the bogus capital stock the banks praise it; the bankers praise it; the brokers praise it, and the newspapers praise it. On the other hand, when the price is to be slumped, the banks blow on it; the bankers blow on it; the broker blows on it, and the newspapers blow on it. Often sales are reported which are never made, just a little up, then a little down, then with more and more activity, until the stock is boomed, and the believing investor has been completely cajoled, and in the end the rifling of his pockets is completed.

Thus the making of bogus capital stock and then charging it as real money upon the resources of the country, upon which the people depend for their means of existence, and appropriating the money and then bluffing the credulous investor out of his money, is an incomparable scheme for acquiring millions of dollars for the schemer, and at the same time making millions of workers poorer for the same amount, for which they must suffer more and work more, and receive less.

The booming and bluffing, and then the bombarding and slumping, on the Stock Exchange, after the bogus capital has been made and charged as real money, can be estimated by two examples of bogus capital. The sales and

mock sales of the capital stock of the Steel Trust in 1903 were 14,613,626 shares. The sales and the mock sales of the capital stock of the Copper Trust in 1903 were 11,703,503 shares. The amount of only these two pieces of nauseous iniquity, estimating the shares at their face value, was \$2,631,612,900, and the desolation and ruin which these two engines of fraud accomplished upon the American people is indescribable. The men who handled this degrading commodity are doing no more for the enrichment of society than a gilt-laced flunky who stands at the door of a New York poolroom. They do no more for the country's wealth-making than a string of loafers at a groggery corner. They do as much to degrade and destroy the moral health of the nation as the worst of the other vicious elements in the country. They wreck peaceful homes, they ruin honest lives, and were the American people to awake to the responsibility of their mission, they will purge the country of them by extinguishing all the bogus capital which has been made the gambling instruments of the game.

To illustrate the nature of an ordinary stock-jobbing transaction, we will take our reader to one in the eighties, and give a brief history of the Elevated Railroad of New York City, which in greater detail exists as public records. In the year 1881 Jay Gould, Russell Sage, and Cyrus W. Field foresaw the future possibilities of the Elevated Railroad and the need of its services as a means of transit for future New York citizens. The Manhattan Railroad, otherwise called the Elevated Railroad of New York City, had been conceived by one band of highwaymen, and was afterward grasped by another. Their methods, other than their charging bogus capital as real money, had compromised the existence of the franchise of the road. Then Jay Gould created a ring, consisting of himself, Russell Sage and Cyrus W. Field. These enlisted the services

of Judge Westbrook, of the New York Supreme Court, and Attorney-General Ward, of New York State. The purpose of Ward was to begin legal proceedings for a receivership, and the function of Judge Westbrook was to play into the hands of Ward and the gang. At the time the legal proceedings were started the bogus capital stock of the Elevated Railroad was selling at \$56 per \$100 share, and the object of the game was to besmear and destroy its apparent value, in order that it could be purchased for a low price and the railroad controlled. On May 18th of that year the lawsuit was commenced by Attorney-General Ward, purporting to be on behalf of the State, whereas it was on behalf of Jay Gould, Russell Sage and Cyrus W. Field. On the 27th of May the railroad company was to show why a receiver should not be appointed. The railroad employed Roscoe Conkling, but he was bought off and did not appear. Eventually, Judge J. F. Dillon and Albert L. Hopkins were appointed receivers. This frightened the shareholders. The game was to debase the property and get hold of the stock at suitable prices. At this time Jay Gould did not own a share of stock, but later, in July of the same year, Russell Sage put Jay Gould in possession of one hundred shares. Before this, at top prices, Jay Gould, Russell Sage and Cyrus W. Field had been selling all the shares for which their brokers could find buyers. To make the scheme go, the New York *World* lent itself by publishing paragraphs under the following headings:

May 20th, 1881—"The operations of the Manhattan Railroad Company are a swindle."

May 24th—"The stock of the Manhattan Railroad Company will be wiped out as it deserves to be."

May 26th—"The Manhattan stock, which has nothing behind it but a general potentiality of rickety bridges."

June 17th—"Gould and Russell Sage not to go into Manhattan."

June 19th—"Mr. Gould and those connected with him will not allow their names to be used as directors of the Manhattan Company."

July 1st—"What can become of a company which borrows money, not to repair and strengthen the structure of a railroad, which is simply a bridge without piers or buttresses?"

July 19th—"As to the stock of the Manhattan Company, it is perfectly ridiculous that a corporation which owns no property whatever, and which has legally forfeited all its rights it ever had, should be selling at such prices."

July 29th—"Receivers will make their report in a day or two, and the showing will be very bad."

August 31st—"Manhattan insolvent."

September 10th—"Manhattan report like a coroner's inquest."

September 21st—"No prospect of Manhattan paying its debts."

September 22d—"Manhattan to be stripped."

September 29th—"Manhattan beyond hope of resurrection."

September 30th—"Jay Gould makes affidavits for his own receiver that the Manhattan Railroad Company is hopelessly and inextricably insolvent."

These concoctions and bombardments were well calculated to besmear and depreciate the Manhattan Railroad Company's stock, and enable the gang to obtain possession at their own prices, and so bamboozle the simple shareholders out of their property, and within eight days of the last report of the *New York World* of September 13th 48,000 shares were transferred to Jay Gould, and 20,000 shares were transferred to his other accomplices, and these

gave the control of the Manhattan Railroad. Very shortly afterward Jay Gould, George Gould, Russell Sage, and their other nominees were the directors. Many of the shares were obtained at \$16, and the creation of bogus capital and mortgage bonds, charged as actual money, which have been charged since then to the Manhattan Railroad, would make schools of millionaires.

Doubtless those who are left with some integrity and rectitude will be surprised with these nefarious methods of making wealth, but they are quite customary and regular, and the most punctilious and religious enrich themselves in this way. At the time there was some popular indignation, mostly because there was a great bunch of such doings, but then, as now, its effects were no more than a ripple of the stream, although the process of submerging the people was proceeding then, as now, with an awful certainty.

These atrocious doings, done with impunity by gangs of men resembling the brigands of olden times, are incalculably disastrous to the well-being of the nation. It is not merely that the Gould family wrongfully receives more than five times as much a year as Jay Gould paid for his capital stock. It is not merely that this has been worked for and earned by the workers of the nation, but for all time the worker has to pay five cents, instead of two cents, every time he travels upon this railroad, because bogus capital has been charged as real money, and because there were not faithful citizens in New York City to see that the American people were not plundered.

There are vast numbers living upon the stolen riches, under the system which enables men to take actual money for bogus capital, and thousands of families are developed to spend their lives, simply disporting in luxurious indolence, often in foreign countries. These are non-producers wherever they go, and cannot be otherwise than a disad-

vantage. Even productive labor does not contribute to the enrichment of the country when it is employed in producing for their wants, so long as they are unproductive consumers. A tailor who produces a coat for an unproductive consumer is only a temporary productive laborer. When the coat is worn out the wearer has done nothing to replace it, and therefore the country and society is no richer than if the same money had been used for an amusing trip in a balloon.

Suppose that all were unproductive consumers, the maintenance of the country would be impossible; it would be stopped immediately. Suppose that the non-producing consumer derives his costly means of living from the productive consumers, who number considerably less than one-half, and spends it in large measure in foreign countries, especially in luxuries. Then the annual injury to the producing consumer, consisting of less than one-half, is prodigious, and the poverty-making effect is enormous. Suppose all this is done with money actually misappropriated or stolen, such as making bogus capital and charging it as real money. Then the impoverishing and oppressive effects are incalculable.

In the declaration of the Supreme Court of the United States of March 14th, upon the Sherman Law, Justice Harlan stated that although the act has no reference to the mere manufacture and production of articles or commodities within the limits of the several States, it embraces and declares to be illegal every contract, combination, or conspiracy, in whatever form, or whatever value, or whoever may be parties to it, which directly or necessarily operates in restraint of trade or commerce, among the several States, or with foreign nations. Combinations even among private manufacturers or dealers, whereby interstate or international commerce is restrained are equally embraced by this act.

Who will pretend that the bogus charges upon railroads, with the special object of grasping dividends for them by increased charges for transportation, are not directly and necessarily in restraint of trade? Were the charges for transportation less, would not the costs of commodities be less, and were the costs of commodities less, would not the trade in them be larger? Were the prices for steel products not doubled, in order to provide the dividends for the more than one thousand millions of bogus capital, would not the consumption be vastly larger and the trade in steel products more free from restraint, and then how the consumption at home and abroad would be greater? The same with all the other Trusts. Were the price of refined petroleum not increased from \$5.30 in 1893, to \$8.50 in 1902, in order to provide enormous dividends for the once bogus capital of the Standard Oil Company, how much more the people would light up, and how much more oil would be used, and then, how the mineral oil trade would be freed from restraint! The same with all other commodities which have been restrained in their use by fictionized prices for dividends for a capital which only existed in the moon. The gas is fictionized, the electric light is fictionized, the electric railroads are fictionized, the beef and sugar and our other foods are fictionized, the materials of our clothing are fictionized, as well as those of our buildings. All are fictionized in order to provide dividends for imaginary capital, and consequently the trade in them is curtailed and restrained, and therefore all must be adjusted, whereby the consumption at home can be larger, and the exports to foreign countries can be more, and then the people will not only be contented, by getting more for their dollars, but the millions of children will be emancipated from grinding work for inadequate wages.

The American should remember that a country is in

many respects like a home, and if men were patriotic in its best sense they would be as solicitous about the honesty and purity of the nation as they ought to be about their home. Every member who steals, every member who takes something for nothing, every member who takes more than his share, all who scheme something for nothing, make hardship, privation and suffering for all the others. Every abuse is a punishment of the people. When an army of civilians consume vast wealth by cunning, future generations are being provided with a chain for their necks, as well as those who are now living. Were the Government to form a large standing army, as advocated by President Roosevelt, the country and people would have to maintain a vast number of officers and soldiers, who destroy gunpowder and other equipments, who consume at a large cost, and produce nothing. All the money would be extracted from the producers of the country, and thereby cents would be taken from the people's dollars. Moreover, the great number of officers and soldiers lead idle and useless lives, which destroy the moral fiber of themselves as well as those they environ. Suppose the Government were to spend such money upon obtaining the possession of the railroads of the country, whereby food and all other products could be transported for the minimum of cost for the working producers of the nation. Then the people would get vastly more for their dollars, and the condition of all would be greatly improved.

The cause of the United States being the foremost of all countries for high costs in the operation of its railroads is not by means of payments made to its employees. The Southern Railroad has bogus capital stock charged upon it as real money for \$180,000,000, for which dividends are required every three months, and the larger they are the more will the bogus capital stock realize upon

the Stock Exchange. In view of such a diseased system, is it not more than probable that there are other diseases permeating the operation of this railroad, when it paid in 1901 one-fourth of its employees 74 cents per day, and can charge the railroad with so much bogus capital, as if it were real? How can this great number of men, doubtless with families, be true to citizenship or to the nation if they are conscious of these nefarious bogus conditions, and how can they become, with wages of 74 cents per day, adequate consumers of the country's industrial products and proper supporters of our factories and their workers?

When the American people take their railroads from the men who are operating them for private purposes, they will secure transportation for about one-half, and the beneficent effects in reducing the costs of the necessities of life will be enormous. Were the United States Government to possess the railroads, as inalienable public highways, and pay for them at actual costs, with 3 per cent. bonds, the nation would save largely by reduced costs of operation, and enormously by not having to provide dividends and interest for bogus charges. Because the railroads of Germany are owned by the German people they derive one-fifth of the revenues of the government from them, as well as provide the German people with transportation one-third less than the cost of railroad transportation in Russia, and consequently the haulage of the German railroads is double that of the Russian railroads. Always when costs to the users are reduced the use is increased. Then there would be no preferential rates, for all being for the people, all the rates would be at cost. There would be no secret rebates, because all was being done for the owners, the people. The railroads, being for the people, and not for the purpose of squeezing dividends, there would be only one object, the minimization of operating costs. Then men would not control railroads be-

cause they controlled bogus capital stock, but because of their personal fitness and capacity. Freight and passenger charges would not be determined by avarice, but upon actual costs. The wheat growers of Minnesota and the lumbermen of the other States would be entitled to the minimum of charges, and products of the farms and other products would not be rotting because of high cost of transportation, while the people in cities were underfed because of high and prohibitive prices for them. There would be a farmers' commission, appointed by the farmers, as well as other commissions appointed by the other users of railroad transportation, and these would adjust the charges with the managers. There would then be no oppression. All fictitious charges would be eliminated. By all this one powerful enemy of good government would be destroyed. The power of stock corporations in politics, in law, upon the judiciary, and upon the legislatures, by means of unlimited wealth, to corrupt, is irresistible, and will remain irresistible, until all bogus capital is extinguished, and therefore the fewer stock corporations there are in the United States the better for the American people. All industries and all other trading and producing combinations have been demoralized and incapacitated from producing economically by the creation of bogus corporations and bogus charges. Jones & Laughlin of Pittsburg, and the Baldwin Company of Philadelphia, can do more for themselves and better for the users of their products, and are more efficient and economical in their production, as private concerns than any existing stock corporation or Trust combination. When millions of dollars of bogus capital are created, for which dividends must be extracted from the people, a great motive for plunder is created, which will swamp all public rights for private interests. It is in the public prints that Jay Gould paid \$100,000 to the Republican party to get Judge

Stanley Mathews upon the bench of the Supreme Court of the United States, and it is stated that patents giving 10,000,000 acres of land to corporations were issued by the Department of the Interior of the Government between the closing hours of the office at night and the opening of the office in the morning.

THE REMEDY FOR TRUSTS AND TRUST MAKERS.

No country in any part of the world, in the past or present, was ever afflicted with such a blackmailing system as bogus capital charged as real money, which has grasped so much of the national resources, for nothing, and for all those millions of Americans who obtain their bread by the sweat of their brow, who have been thereby deprived of the common heritage of mankind, it will be a grinding burden for themselves and their descendants forever, unless it is undone by a special mandate in the ballot box; and the consuming disease will grow by delay.

In the universe of thought there are truths which are as invincible as momentous in their indications of coming disaster. One is that whenever a people are tame and careless while their country's resources are being daily enslaved by politicians and bogus capital makers, the complete industrial enslavement is only a question of time.

Unless the great crime of appropriating 90 cents of every dollar of all this country's vast and rich resources, by charging them with thousands of millions of dollars of bogus capital as real money, is undone, and the wrongdoers are made to disgorge, the American people never can be free or contented, or obtain a just share of the dollars, nor get a proper quantity of the necessities of life for a dollar.

How can the people of a republic be free or contented when their country's resources, intended for the good and betterment of all, have been chained up under the charge of bogus capital?

ALL the instability and fiction in our trade; all the hindrances to our commerce with foreign countries; all the disabling of our industries, whereby their costs are the highest of all countries; all the disputes with our wage-earners upon equivalents, arise by intolerable conditions, created by thousands of millions of dollars of bogus capital having been charged as actual money, and the proceeds

taken, for nothing. There never was a machine so cheap and effectual, for making ill-gotten wealth for an idle, non-producing class, at the expense of an industrious class, as the bogus-capital system. There is no restriction upon the amount, and a thousand million dollars can be turned out with the ease of making a quack doctor's draught, which can be bought for five cents. Everywhere in the United States almost every article of trade has been corraled and charged with bogus capital, and real money has been taken for it. In consequence, with all that this country can produce, and ought to deliver, we are now obtaining only fifty cents' worth of the necessities of life for a dollar.

With the growing greed for riches and debasing luxurious living on the one hand, and the intolerable conditions under which children, women and men must work and live in this bountiful country, with the gnawing consciousness that the country's wealth and resources are being corraled by stock-jugglers, and mingled with the desperation of want on the other hand, how can a quenchless blaze of hate and greed, of exhaustion and lust, be changed, except by the American nation rising to a just sense of the terrible situation, and demanding, by the ballot box, that justice shall be done without fear or favor?

When we see that in 1900 there were only 29 cents of every dollar of this country's great wealth and resources left, for 91 in every 100 of the population, we see a fact of unexampled importance to every American man and woman, as well as to all the Americans unborn. It means that sixty-three thousand million dollars of this country's wealth and resources have been cornered by only 9 in every 100 of the population. In other words, there was as much of the country's wealth cornered in 1900 as would make 63,000 millionaires, and that as soon as twenty-nine thousand million dollars more of the country's resources

were cornered, the whole of the property and wealth and resources of the United States will have been cornered, and then all the other 90 in every 100 will have to scramble for a livelihood, and exist by favor, like the Helots of olden Sparta, like the slaves of ancient Rome, like the serfs of Russia, for then these 91 in every hundred of Americans cannot possess any more share or interest in their country's resources than these slaves had, in the country in which they were slaves. But since 1900 more than twenty thousand million dollars have been capitalized by stock companies, and as soon as the bogus capital, of which this amount is largely comprised, is matured and established as regular dividend earners, by higher prices and lower wages, there will be less than ten cents of every dollar of the country's wealth and resources for 90 in every 100 of the population, and these ten cents of every dollar left will be secured by the few as fast as the American people will permit them.

All this has been made possible by the general permit of Congress, and of the States Legislatures, to make bogus or imaginary capital and charge it as real money! For example, when the makers of the Steel Trust charged the steel industry of the people of this country with more than a thousand million dollars of bogus capital as real money, they created charges in actual money upon the steel industry equal to the dollars necessary for one thousand millionaires—not temporarily, but for ever. This was not all that these men did for themselves out of the steel industry. They trumped up all kinds of charges by which they could enter the treasury of the Steel Trust and take as they pleased; and they took for underwriting their own bogus capital fifty million dollars in cash at one stroke. This is how the millions go into the pockets of every 9 of every 100 of the population, and how the 91 others are left, with industrial enslavement, increasing every year. Moreover,

as the millionaires are created, as if by mushroom spawn, there remain fewer workers in every hundred of the population, which means that every year every actual worker must carry and provide for more and more idlers, often who are extravagant consumers; and the more idlers a worker must carry and provide and suffer for, the more complete is the enslavement; and the more and more the number of the indolent non-producers will increase and consume that which they do not produce. Already there are 62 non-producing consumers in every 100 of the population, who must be carried and provided for by the 38 others who produce. Each working producer in this country—children, women and men—is already carrying and providing for nearly three others, who are non-producers and who consume, which is more than in any other country in the world. Some are too old, some are too young, others are incapable; but many are indolent by means of bogus capital having been charged as actual money.

In every nation there are producers and consumers. The elements of production are, first, Nature's bounty of materials, which are, in this country, in incomparable measure. The next is saved labor or capital—but this must be real, and not bogus. A nation with capitalists who are genuine providers of saved labor, which is the only actual capital, possesses a beneficent element of a commonwealth. But the greatest enemies of a Commonwealth are the frauds, who pillage the people so enormously by charging fictitious capital as actual money. A labor union has no more right to charge a thousand million dollars for bogus capital to the public, than the makers of the Steel Trust had to charge the steel industry of this country with more than a thousand million dollars for bogus capital, as if it were real money.

It is within the mark to state that ninety-nine of the

millionaires of the United States have acquired their wealth, not by legitimate trading or giving equivalents, but by the creation of bogus capital and taking real money for it. Therefore, since bogus capital is unreal and fraudulent, like a bogus house which was never built, what just objection can be made to all the bogus capital and mortgage bonds, which have been so fraudulently created, being wiped out of their wrongful existence by a law of Congress, which shall declare that all bogus or imaginary charges upon the industries, railroads and other resources of the country, which did not represent existing values at the time they were created, are fraudulent, criminal, and void; and whosoever shall give or receive considerations of any sort, on their behalf, shall, when found guilty, be sentenced to a term of imprisonment; and that the persons and properties of the wrongdoers, wherever found, shall be and hereby are liable to reimburse the sufferers?

The American people may determine by a general unconcern, or by an indifference shown at the ballot box, by sending the wrong men to Congress and to the different States Legislatures, that they do not care for the future of their country, and that they do not wish to disturb the vast debts which have been, and are being placed upon their country's resources, by which the complete enslavement of the people is being accomplished. The bogus debt of thirty thousand million dollars upon this country's resources, by which the American people obtain their means to live, means that every man, woman and child in this country have been charged with three hundred and seventy-five dollars, and that when this debt is limited to the twenty-nine million workers of this country, it is a debt of more than a thousand dollars upon each. This debt has been created by bogus capital being charged as real money; and not until the American people become alive to the cause which is making them poorer every year, and do

their duty in the ballot box, will their country be free, nor will they recover their right to real liberty, and the real pursuit of happiness. The American people may prefer, as ancient Rome preferred, before its decay and fall, to be quiet and tame while their country is being spoliated. It may prefer the increase of a non-producing, luxury-using and ostentatious wealthy class, such as have grasped nearly all the wealth, and made slaves of all the others, by which the downfall of Rome was produced. If the American people prefer that out of such ruins an indolent bogus-capital aristocracy shall be created, then they must abandon all claims to be a sturdy, and independent, and liberty-loving people, and must surrender all ideas of individuality, separate from servility and servitude. The American people cannot have both. If permitted, the bogus-capital makers will swallow up the others, and no other power but that of a suffering and brave people can extinguish the evil, and reinstate the pillaged property into the hands of its legitimate owners, namely, the American people.

It is not possible to turn to any page of human history and find such a debauchment of human affairs as the creation of more than a thousand million dollars of bogus capital, which was charged as actual money to the steel industry, and the money was taken for nothing. But this was only one of many instances by which the people have been pillaged and made poorer, and placed under privation and often absolute want. The resources of this country are enormous, and when free from bogus debts they are capable of providing for the well-being and happiness of all the American people. But nearly all the cents of every dollar of the country's wealth have been pillaged by methods no better than those of brigands, by less than nine in every hundred of the population, and consequently the ninety-one others of every hundred of the

population are called upon to eat less, to clothe less, to house less, and to endure more, to deny more, to possess less home-life, and to live inferior lives, in order that the others, who have not worked, but schemed the bogus into the real, shall flounder in luxury, indolence and degradation, such as there is no record. With these facts it is easy to understand how colonies of Americans, in different foreign countries are supported like princes, and that the amount of imports of precious stones and jewelry, in 1902, was more than thirty million dollars, while families in New York City are receiving no more than four dollars a week, and some of their regular meals are only coffee and bread, and while the actual producers of the country have dwindled down to thirty-eight in every hundred of the population.

Human forces are never stagnant, especially when allied with vast wealth. They are always like the enemy of the great Swedish general, Gustavus Adolphus. His great success was due to the enthusiasm with which he inspired his troops. He used to address his soldiers, pointing to the enemy, and say: "These are your enemies, and they will kill you unless you kill them." The same with riches and poverty. They are increasing enormously, and wealth grows in compound proportions when bogus capital can be charged as actual money.

Whatever remedial treatment bogus capital may receive by the American people, none but the extinction of it will be a remedy. Everything else will be a shifting expedient and a delusion. Bogus capital and mortgage bonds never have been made except to be charged as real money, and by the methods of the forger. A rehabilitation of costs is absolutely necessary, so that a dollar can obtain its full amount of commodities, without any blackmailing for dividends, and this cannot be done until all the bogus creations are annihilated. It is absolutely necessary for all

the Americans who are now living, as well as those who are unborn, that the cost of the necessities of life are made free from fictitious charges, and this cannot be done until all bogus charges upon the country's resources, whenever created, are extinguished.

These remedial measures will cause a development of manufacturing industries and employ more labor, and will give the people their due share of the necessities of life. Then manufacturers and farmers will produce more products, because more products will be required by both home and foreign markets, and the fictitious costs of transportation, and the fictitious costs of all sorts will be extinguished, and a new era of commercial life and national well-being will be made possible. No ethical, or equitable principle can be urged against the extinction of fictitious capital stock certificates and mortgage bonds. A wholesome, vigorous, and competent commercial life, economical productions of agriculture, economical productions of manufactures, as well as the necessity for economical transportation charges, claim that their extinction is indispensable. The certainty of the ultimate stoppage of agricultural and industrial exports, unless costs are rehabilitated, demand their extinction.

A more wholesome moral atmosphere, and a purer commercial life, plead for their extinction. The betterment of the people, the development of good citizenship, declare that their existence is intolerable, and their extinction is essential. Every consideration for good, every proper recourse against evil, demands that their extinction shall be unqualified and immediate. The adjustment of fictitious values to the real would give an unprecedented impetus to national growth, as well as to national well-being, and then sunshine would come into millions of lives, whose outlook at present, is hopelessness and despair. Then the two million of children who overwork to barely

live, and who are competing with manual labor, will be emancipated and started on a better pathway to good citizenship. The millions of men and women who are overworked and exhausted beings by being under-fed and ill-clothed, and inadequately housed, will be morally and physically rejuvenated, and become better elements of the national commonwealth.

The class which would suffer by the extinction of bogus capital is mostly the recipients of its plunder, acquired by nefarious means. Inordinate wealth, especially when ill-gotten, is always debilitating, morally, mentally and physically, and the luxuries which it demands employs capital in their production, which, were it devoted to the supply of life's requirements, there would be more of them for the people, and then the demand for labor, to produce life's necessities, would increase, and the wages of labor would increase, and thereby the general real wealth and well-being of the country would be increased.

The extinction of all the fictitious capital stock and mortgage bonds in the United States would not make the country one cent poorer, or one cent less wealthy. There would be the same real wealth, with the incumbering fiction eliminated. There will be the same metals of gold and silver, but they will be dissociated from depraved finance, which has dwarfed our industries, bled our commerce, and impoverished the people at every opportunity. Money will be in more general circulation for the benefit of all, because by the plunderers making restitution the people will possess more, and then, the dollar will buy more.

There will be the same coal lands, the same iron-ore lands, but they will be free from unjust burdens, and thereby they will become a greater auxiliary to manufactures, to home comforts, and to personal well-being. There will be the same everything for the American peo-

ple, when bogus capital, charged as real money, has been extinguished, but there will be more for those who make the country good and beneficent, and less for the uncivilizing, non-producing bogus-capital maker, who has charged it as real money, and taken the proceeds. Then everything will cost less, just as the dollar will buy more, and the men who are degrading themselves by the creation of bogus capital and obtaining fraudulent livelihoods will be forced to employ their energies upon methods of creating honest wealth. Then dividends, and dividends in unprecedented measure, for illegitimate purposes, will not be the supreme order of the day. Then humanity and citizenship will not go to wreck and ruin for dividends for a capital which is bogus and intended to defraud. Then the human element, which is the real element of a nation, will not be screwed down to the minimum wages for the longest hours and at the highest speed to forge dividends. Then everything will not be ground out of humanity, with the ultimate object of discarding it. Then the labor will not be exhausted to produce bogus dividends, nor be prevented from recuperating because of the high prices for the food they need, in order to make other bogus dividends.

There will be the same houses, but being free from bogus charges for capital they will cost less, and then more will be wanted, and more will be used. There will be the same building materials, but made free from fictitious capital they will cost less, and consequently more will be required for more home-life. There will be the same manufactories, but more of them, because they will produce their products for less, and when costs are less the consumption is always more. There will be the same ships, but delivered from the burdens of having to provide dividends for capital which never existed. There will be the same railroads, but emancipated from the weight of

imaginary capital, demanding dividends by high and often prohibitive charges for transportation; then the traffic on the railroads will increase in a manner unprecedented. Then the food, and clothing, and other necessities of life, will cost less, and the people will then use more, and there will be more transportation wanted. Then the farm products of the farmer will not be rotting on the farm, because of transportation costs, while the people in cities have not enough to eat. There will be the same working people, but better fed, better clothed, better housed, and all with less grind, and more of them will be wanted, because of the increased demand for products of all sorts. When the people of this country are conscious that they are not being juggled, in order to make dividends for bogus capital, charged as real money, they will possess new hope, new life, and become a new people.

We look in vain in every section of the country for a compensating advantage to the American people for all the degrading oppression which bogus capital has created by being charged as real money upon the country's resources. The only pretext for it is that the idle class may be increased and possess more means of extravagant luxury, and that the people who produce can be squeezed more to provide for them. It is an established canon of equitable law that the thieves shall restore the products of their thieving, and not luxuriate with it while others are suffering by the loss of it. They have taken our coal lands, our coal mines, our coal railroads, and charged all with capital which never existed, and yet they are charging prices to provide dividends for it, and have practically told the miners "we want you only to be human machines, to provide our bogus capital with dividends." They have taken the railroads, and when there was any competition they have stifled it, so that their exorbitant charges to provide their bogus capital with dividends could not be in-

terfered with. They have taken our industries as a thief in the night; they have taken steel, and the means of its production; they have taken the iron ore, and laid all under a tribute of fifty cents upon the dollar in order that they can luxuriate more, and that the producers of the country can consume less of the necessities of life. They have taken our children from school to work for dividends for their imaginary capital, and given them rags for clothing, and short hours of sleep, and food in scant quantity. They have taken our women, and treated them as dividend-producing machines for their loathsome and fraudulent bogus capital. They have taken our American citizens, intended to be the foremost citizens of the world, and they have driven them like cattle, on a grinding machine, and handled them incomparably worse than their own horses, in order to provide dividends, for devices of plunder. They have taken all, and demoralized, degraded, and dehumanized them, and made all subordinate to millionaire enjoyments, to millionaire indolence, and to millionaire debasements, accomplished by taking the millions, not by legitimate trading of giving some equivalent, but by palming off the spurious as the genuine. The materials for our houses, the paper for our books, the colors for our art, the tobacco for our smoke, the glass for our windows, the furniture for our homes, the utensils for our kitchens, the adornments for our walls, the covering for our floors, the fruit we would eat, the vegetables we consume, the traveling we would do and the transportation we use, the clothing we would wear, all that can be corraled and put under the control of bogus capital, have been degraded by the nefarious demand for dividends for them. It is more than ludicrous, it is blood-boiling to see the creators of bogus capital, and their descendants, use the proceeds to corral the means of fresh air, of places of exceptional beauty—at the lakeside, the seaside, in the

mountains, in the valleys—and then bottle them up for themselves lest the people, the producers of the country's wealth, in great measure, should taint them by their presence.

Every worker who is under-fed is using too little of those farm products which are rotting upon the farms, because the cost of transportation is so high, in order to provide the dividends for the bogus capital which has been placed upon our railroads. The New York *Herald*, of March 5, 1904, states that the prices in greater New York for vegetables are \$2.50 for a barrel of turnips, 15 to 20 cents for a head of cabbage, \$1.50 for a bushel of carrots, \$1.35 for a bushel of potatoes. In this country there is no scarcity of vegetables, while our people are starving for them; but there is the bogus capital charged as real money, upon our railroads, which must be provided with dividends, and to provide dividends, the transportation charges are not only excessive, but prohibitive, and such as must let the vegetables rot, while the workers in cities have not enough to eat or to pay the fictitious prices. The price of codfish and halibut in our cities is now 18 cents per pound, and consequently our workers cannot buy, and must do without. This is not because there is a scarcity of this fish. Tons of halibut and codfish are obtainable for a cent per pound on the northwest Pacific coast; but the railroads have been pawned, and the money has been taken by stock-jugglers, and they have left the amount as a perpetual debt upon the railroads, and these must be provided with dividends, and while these are provided with dividends the best of transportation is impossible, and therefore the food on the northwest coast must lie there unused, and the workers in the East must be contented with haggard faces and under-fed bodies, and continue to grind for dividends for an imaginary capital. We see the Beef Trust is bleeding not only the public by high

prices, but bleeding the farmers and the stock-raisers, by combining to pay them just the prices they please, because they have the monopoly of the buying. The Beef Trust is paying considerably less for the meats on the hoof, but they have put up prices for their meats, about fifty cents on the dollar. The adjustment of values, by the extinction of the unreal, by the destruction of the bogus, would give an unprecedented impetus of health to national growth and to national well-being.

The pernicious results to the trade of the country by this system which gives vast wealth for nothing, and creates an enormous debt upon the country's resources, whereby the mines, industries and railroads are entrained and incumbered and made less capable for producing economically, are indescribable. Daily the newspapers are announcing disasters to banks and banking institutions by the officials lending or investing in bogus capital stock and mortgage bonds. All these would be prevented were all bogus creations wiped out. Banks and bankers, merchants and manufactures, working people and farmers, are all made to suffer by the creation of bogus capital. Banks suffer because they either are involved, or lend their depositors' money, upon the bogus, believing it to be the genuine. Most of the commercial disasters of this country's past history have been by inflation, by accepting the bogus as the real, and no instrument which is spurious can be so productive of disaster as spurious capital, when it is charged as real money and when the proceeds are appropriated for nothing. Every year bogus capital is created in vast amounts and charged upon the industries and railroads and other resources of the country, and no equivalent of value is given or exchanged. Consequently every decade the trade of the country is more precarious for honest traders, but vastly enriching for the men who create the bogus capital and

charge it as real money for themselves. The increasing instability of trade is shown in the different decades, as the bogus capital has been increased.

The degenerating effect upon honest trading by this dishonest juggling of air-bubbles into wealth, is incalculable. The oppression of the people who work, by these men who scheme the necessities of life into high prices, in order to provide dividends for spurious creations of capital, no better than counterfeit money, means bad trade, means factory closing, means wage-earners without work, means poverty widespread, and often ruin for thousands of innocent and industrious men, women and children.

As bogus capital is increased the inflation of prices will be greater, and the disaster and ruin will be in proportion. From 1884 to 1902, 316 national banks failed in the United States, besides more than 500 other banks, and the chief cause, directly or indirectly, has been either misrepresentation or over-estimation of values, produced largely, if not wholly, by bogus capital or bogus values being accounted as the real. In contrast with all these bank failures, the failures of banks in Canada, from 1890 to 1903, have been only three, because so little bogus capital is charged as real capital in that country. From the same cause the exports of Canada, in 1902, per head of its population, were nearly \$80, while the exports of the United States in the same year, per head of the population, were less than \$30.

The inflated period of 1893 which was much smaller than the present period of inflation, because the creations of bogus capital were then considerably less, demonstrates the ruinous consequences of treating the bogus as the real. In 1893 there were fifteen thousand commercial failures, as well as 158 national banks, and 425 other banks and banking trust companies. The Clearing House Exchange of that year fell off to the amount of \$13,800,000,000.

The future has to face larger inflations of capital, and is confronted with a terrible time of suffering and sorrow. All may be traced mainly to the creation of the bogus capital and treating it as the real, and until the bogus is extinguished and only the real is counted, these times of suffering and sorrow will be repeated.

The degrading influences upon the morals of the people, upon trading morality, upon morality in private life, upon political morality, and even upon standards of well doing, and especially upon the ideals of youth by men in prominent positions in commerce and religion, stock-juggling industries and other resources of the country into perpetual debts by bogus capital creations charged as real money, is so vast as to be inestimable. That religious bodies are so ready to fight about creeds and vestments, and bow and scrape to these captains of plunder, and accept their polluted beatitudinal windows, and invite them to dictate at an election to the Episcopacy, shows how religious life is being degraded, as well as bedaubed by the same defiling brush.

What can be the purifying and elevating force of a Church, pretending to be in the world but not of the world, when the chiefs of its Episcopate are worldly jollifiers, distinguished for champagne and smoke? If we could only have our Hogarth he would paint one of our Bishops in his scenes. The irresistible conviction is, that our Church is worldly, and that the chiefs of one section are enamored with indulgence and luxury. Consequently, it produces metallic effects, and the quotient is metallic prayers, metallic sermons, and worse than metallic lives. No nation can be truly great without an active moral force actuating popular opinion, and equal to the suppression of license and the enforcement of law. In some of our show churches the first facial effect of some of the men is unwittingly to button up one's pockets. This is

only natural. No man can be abandoned to avarice and pillagery without facial debasement and indications of the development of these passions.

No ordinary measures will meet the extraordinary conditions which the Trust makers have created, by charging bogus capital as real money, and thereby grasping the wealth of the country. The American people themselves must arise to the demand, and settle this great question, or it never will be dealt with. A mandate direct from the ballot box must go forth, that the people will submit to no more enslavement of their railroads, industries and other resources of the country, by bogus capital being charged as real money, and that all fictitious charges of all descriptions, whenever made, must be extinguished by a special law, without delay. All bogus capital, whenever made, must cease to exist. That no plan will meet the atrocious conditions but extinction, is shown by the present doings of the Beef Trust. The Beef Trust has been systematically breaking the law, and has been guilty of the worst of oppressive crimes. It has been brought before the law courts, and an injunction has been issued by the court authorities, and a fine of five thousand dollars for each day it continued to break the law. Each of the meat packers has laughingly paid this fine of five thousand dollars a day. But they began to set their prices to meet the fines, and the lower prices which they have paid the farmers and stock-raisers, and the higher prices for meat which they have charged the public have increased their profits upon meats more than one hundred and thirty-five thousands dollars a day. These seven meat packers combined together to buy, so that they are the only buyers, and therefore, pay any prices they please. These seven meat packers are the only sources of supply, and therefore can charge any price they choose, and many of the industrious poor are without meat, because they have not the

money to pay the exorbitant prices, created to supply bogus capital with dividends. On the 1st of July, 1903, the price for steers was \$8.37 per 100 lbs. In December, 1903, while the fines were being paid, the price for steers was \$5.17 per 100 lbs., and the selling price has been increased. This condition of the law in regard to Trusts is extraordinary. Before the 19th of February, 1903, Trust makers and their agents were liable to imprisonment for some of their methods, more particularly the combining together to form monopolies and buy at low prices and sell at high prices, in order to make their dividends upon their bogus capital fat and large. Before the 19th of February, 1903, the Sherman Anti-Trust law declared: "That any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry, or to produce books, papers, tariffs, contracts, agreements and documents, if in his power to do so, in obedience to the subpoenas of lawful requirements of the Commission, shall be guilty of an offense, and upon conviction thereof by a court of competent jurisdiction, shall be punished by a fine of not less than one hundred dollars nor more than five thousand dollars; or by imprisonment for more than one year; or by both fine and imprisonment."

On the 19th of February, 1903, President Roosevelt signed the Elkins law, which cancelled and made nugatory this power to imprison under the Sherman law, whereby the Trusts, with their power to earn fines faster than the power of the law courts to inflict them, can profitably pay the fines, and increase the prices to more than provide them, and so evade the law, as is being done daily by the Beef Trust. The Elkins law declares: "In all convictions occurring after the 19th of February, 1903, for offences under the act to regulate commerce, whether committed before or after the passage of this act, or for offences committed under this section, no penalty shall be

imposed on the guilty party other than the fine prescribed by law. Imprisonment, wherever now prescribed as a part of the penalty being hereby abolished."

Thus it will be seen that the Elkins law was specially designed to protect law breakers, and Trust-making plunderers, from being sent to prison, and that President Roosevelt made himself the instrument to put such a law upon the statute books of the nation. This shows what a piece of India rubber he can be, when the people need honest protection from the public thieves. When President Roosevelt signed this atrocious law, giving special protection to plunderers, to keep them out of the penitentiary, he rendered assistance to crime; he took from the American people their only weapon to punish these worst of law breakers, he made possible such doings as those now being done by the Beef Trust, and he sowed the seeds of more evil than can be balanced by all the good which he can do during his Presidency. The same doings of plunder are shown by the Anthracite Coal Trust, which, according to the wholesale prices of the United States Treasury, has raised the wholesale prices of anthracite coal from \$2.50 per ton to \$4.50 per ton, in order to provide dividends for the bogus capital, which they created without rhyme or reason, except to bleed the American people. The different railroads owning the different anthracite coal mines were summoned before the Interstate Commission to give an account of their doings, and they flatly refused to answer the questions put to them, and by the Elkins law, which President Roosevelt signed, these coal owners and their agents are not imprisonable, and can only be fined, the amount of which they can recover more easily than the law courts can make the fines. Were these wrongdoers doing honorable work, in an honest way, there could be no objection to making straight and honest answers.

The object and aim of bogus capital is to plunder, and only to plunder. Bogus capital is nothing but a deceptive tool for plunderers, and by it they have plundered the American people enormously. Bogus capital is the weapon of schemers to pillage the workers. It never was, and never could be, of service to honest men, but for the plundering juggler it has made vast wealth, and for the people it has created vast poverty. Shall the plunderers keep their plunder, and the people be bereft of the proper means to live is the question of all questions for the American people.

If the American nation decides that the plunderers shall keep their plunder, then the American people will be poorer and poorer, and they must patiently settle down to the worst form of increasing servitude, and the democracy will be more and more a farce. Comparatively, there is little more of the country's resources or wealth to be grasped, and the American people have only to continue asleep or careless and all the grasping will be completed. The amount of bogus capital created during the last seven years is more than is now left of all the resources or wealth of the nation, which is not under the control of the few. If the American nation decides, by carelessness or indifference, that the bogus capital, which has been so wrongfully created, shall continue to possess so large a share of the country's resources, and shall in the same manner corral the remainder, with no more right than a thief holds his thievery, then more millions of children must be added to the millions who are now working for long hours for despicable wages, and are displacing the men, for the dividends for the bogus capital. If the American people decide to keep bogus capital in power, and to give it dividends of blood, wrought out of the lives of the industrious millions of children, women and men, who must pay high prices with small wages,

then the non-producing class of luxury-using indolents will continue to increase, and be still more conspicuously ahead of all countries of the world. If the American people decide, by giving their votes and political support to the same politicians who have betrayed them and their country, then all hope of change for themselves and their posterity must be abandoned, and the country will become more and more only a grinding workshop of gaunt, under-fed, under-clothed, under-housed human forms, worse cared for than the cattle of their bogus-capital masters and over-lords.

In all the different grades of society dividends are provided for bogus capital, but all charges settle down in the end upon the grade which is at the bottom, which is the poorest. The millionaire class pays, but it is a consumer mostly of luxuries, and whatever it pays is always charged to the grade below. The middle class pays, but whatever it pays is charged to the grade below. The bottom grade, the wage-earner, pays, but there is no lower grade from which he can recover, and, therefore, all settles down upon his class; and this is why food and clothing and housing are so scarce for the wage-earner. For this reason alone, the wage-earner ought to be protected from the nefarious bleeding process, of providing dividends for bogus capital.

When bogus capital is charged upon food, it means that all the Americans who eat must pay a tax forever, to provide the dividends, just as when sugar is charged with bogus capital, the American consumer must pay seventy-four cents on the dollar more than in England. This means that every 174 cents' worth of sugar at the wholesale price here can be bought for 100 cents in England. This means that every million dollars obtained every year by thus bleeding the American people, the Sugar Trust

can provide dividends for every twenty-five millions of bogus capital which has been charged as real money.

When bogus capital is charged upon woolen and cotton clothing material, and clothing, it means that all Americans who wear clothing are taxed and must provide the bogus capital with dividends, by paying higher prices.

When bogus capital is charged upon building materials, it means that houses and rents and homes and home-life are taxed, to provide the bogus capital with dividends.

When bogus capital is charged upon railroads, it means that the American people are taxed to provide it with dividends, by increased transportation charges upon food, and the other commodities of trade and commerce, and that thereby the farmer who grows products and the consumer who consumes farm products, are taxed to fatten a non-producing class which has obtained its indolence and luxury by methods no less nefarious than those of the worst of gambling dens. When a transportation tax is placed upon food, then the farmer nets less for his farm products, and the consumer must pay more for them, and often farm products must rot, while the children, women and men in cities must have meals of coffee and bread, because the transportation charges are so high as to be prohibitive.

When bogus capital is charged upon electric and gas supply, it means that excessive prices and charges must provide dividends.

When bogus capital is put upon coal, upon coal mining, and upon coal transportation, it means that the costs of all must be such as will provide dividends, which means that thousands must live, and often die, without heat. The same with kerosene oil. The more it is charged to provide dividends for bogus capital, the more must the people be fleeced when they buy oil.

Every dollar of bogus capital is designed to be provided

with dividends, and no dividends can be provided for bogus capital without taxing the people, in the same way the Turkish and Russian governments blackmail their people. The men who have become magnates by the manufacture of bogus capital and charging it as real money, are powerful enough, and when they can make bogus capital, they are depraved enough to initiate and control the policy of the Executive of the nation, to nominate senators, to get enacted laws for themselves and the suspension of others. Legislatures are purchased, and vast concessions are obtained for nothing. Men are in power, not for the benefit of the State, but for their own pockets, and this has been proceeding so rapidly and to such an extent, that the country's resources and wealth have been largely surrendered to bogus capital, charged as real money, and the operation has been no more virtuous than the play of a cardsharp.

When a farmer, or storekeeper, or other tradesman, has so managed his business affairs that about ninety cents of every dollar of his property has been swallowed by stock-juggling sharpers, without getting any money or other compensation in exchange, and the stock-juggling sharpers are gradually getting hold of the other ten cents in the same way, he must be worse than tame and stupid if he is careless and indifferent about his future. But were such a tradesman to discover that he had been wheedled out of his property, not by borrowing or exchanging, but by the chicanery of stock-jugglers, putting his property in debt for money which they had received for themselves, he would feel that his position was becoming more and more like that of the man who was between the devil and the deep blue sea. But all these dire conditions are existing in the United States for every ninety of every hundred of the population, and yet nothing is being done to stop the plundering. Nine of every hun-

dred of the population have corraled the country's resources to the extent of about ninety cents of every dollar of all the wealth, and then juggled them under the control of bogus capital, charged as real money. This has not been done by trading and giving trading equivalents, but by charging bogus capital as real money. For instance, when the stock-juggling sharpers created more than a thousand million dollars of bogus capital and charged it as real money upon the steel plants of the steel trust, they put the steel industry under the control of bogus capital stock, and took the proceeds for nothing. In this manner the different resources of this country are being, and have been, alienated from the American people, until they are rapidly becoming a people without a country, except to work in it, like the serfs who populated the serf estates in Russia.

There have been great crises in the experience of the American nation, but the crises which produced the Revolutionary and Civil wars were less momentous than now, when bogus capital is swallowing up the resources and wealth of the nation, and leaving ninety-one in every hundred of the population with no more interest in its wealth than that of a slave on a slave plantation.

Our leaders of religion and morality are winking while some of their prominent members are thieving. Bishop Greer, when speaking of lost morality in our buildings, said: "Truth should be insinuated in the mortar, in the bricks, in the steel, so that a house should be the habitat of truth." But how much more apt, if he would apply the same admonishment to living beings, and insinuate into them the nefariousness of making bogus capital, and charging it as real money upon the resources of the country, upon which the American people are dependent for their existence. An ounce of practice is said to be worth a pound of precepts. Why then, at a Bishop's consecra-

tion, employ an usher who is a prince among bogus capital makers, and why should the unethical methods of bogus capital making be indorsed in one of the prominent members of an ethical society? A great moral force is needed. Holiness and bogus capital, and ethics and bogus capital are being forcibly blended, and the moral force is being negated. We need a moral force, not for Sunday exhibitions, but for practical ethics of utility, and until these leaders of moral thought and instructors of youth care more for realities, and less about the fattening materials, their work is no better than beating the air. How can we expect a purer political life, when moralists are talking morals and practicing chicanery? We have much religion, but no morals; much ethical talking, but much unethical doing, and, consequently, we have no moral force. Where is the utility of institutions established for the cultivation of the moral life, which can be indifferent and silent while bogus capital is charged as the real, up to one thousand million dollars at a stroke? The plunderers are active and enslaving the country's resources by fictitious and nefarious methods, and morality is asleep, and religion is dazed by the loaves and fishes of the plunder.

According to the United States Census of 1900 there are 38 workers in every 100 of the population, which means that there are more idlers in the United States than any other country in the world. Some of these 38 in every 100 are too young or too old or incompetent, but all the others are players of the most costly description. It is not enough that the 38 in every 100 do the working, so that the others may do their playing, but every conceivable device has been invented by these non-producing players to catch the workers at every move, like the spider catches the fly, and then take the blood out of them for the human spiders to disport with in luxury and indolence. It is not enough that the workers must work, and work

with a grind for long hours, and often submit to reduced wages, as in the steel and other industries, but when they spend their dollars of their wages they get only fifty cents' worth of the necessities of life for them, because the other fifty cents are required to pay dividends upon the bogus capital. It is not enough that the workers must grind and produce all that the players can consume, but the players must have steam yachts, and racing studs, and flunkies in palatial houses, to play with—obtained by the proceeds of bogus capital, which the players have imagined. But more, it is not enough that the workers must work and grind but they must eat less, and clothe less, and house less, and not know what the morrow will bring forth, in order that the players cannot only play extravagantly, but waste extravagantly.

Such conditions of degrading servitude were never known in the worst state of fallen Rome. They have already grasped about ninety cents of every dollar of the country's wealth and resources. Therefore, every man who has even a tinge of Trustism; every representative in Congress and in the States' Legislatures, who has been either asleep or awake in those positions of responsibility, and not an active opponent of Trusts and Trust makers, must be displaced by a better man, or the enslavement of every American, as well as their country, will be completed. Every progressive nation must expect periods of internal strife, and the next national strife for the American people must be against unholy and ill-gotten wealth, which has been extracted from the country's resources, by charging them with bogus capital as real money. The Sherman law must be reinforced by the mandate of the people in the ballot box, that bogus capital shall not enslave the American people, nor those resources of their country by which they live, and, therefore, bogus capital,

whenever created, or by whosoever created, must cease to exist, by a special law.

When the American people demand a special law to make void all bogus charges upon the resources of the country, whenever created, men will talk of the consequences to capital, when they have been creators of bogus capital. They will talk of injured trade, when they have done it the worst of injuries. They will talk about abridging liberty, when they have not only abridged liberty, but have put us into slavery. They will say it is destructive to government, when they have destroyed government and corrupted the legislatures, and given us an oligarchy of wealth! They will talk of the principles of justice, when they have violated every one of its principles. They will talk of the foundations of human liberty, while they are luxuriating, in idleness, with the gains of our enslavement. There must be strife against that vicious and unholy magnate-making system, which corrals vast millions by juggling bogus capital into real money. There must be strife against the bogus-capital makers, who are taking our Americans and degrading them in order to wrongfully grasp wealth and make themselves princes.

There must be strife against the sham of a government which winks, while the people are industrially enslaved, to make a few richer and users of luxuries and indolents. There must be strife against all politicians who have co-operated with the Trust makers to enrich themselves and enslave the others. Justice will never be obtained; the beneficent work will never be accomplished, unless all political bosses, of every color, shade and party, are dethroned, and shunned like a pest-house. Every American who is untrue to himself, or his country, by accepting a dollar for his vote, is making a state of slavery for himself, and is hindering the endeavors of his countrymen to

obtain a hundred cents' worth of the necessities of life for a dollar.

The Rockefeller-Morgan interests have now under their control about twenty thousand million dollars of the wealth of the United States, or about one-fourth of the resources of this country. In other words, these two men dominate about one-fourth of the means of existence of the entire American people. This does not mean that these two men own or possess so much wealth, but they possess that which controls it. They and their associates possess mortgage bonds and capital stock charged to and controlling about one-fourth of all the country's resources, upon which they have invested some of their own money, but most has been loaned by banks and banking institutions, using their depositors' money for the difference. When a man has one thousand dollars he can obtain ten thousand dollars' worth of marketable securities, and by the aid of the banks, using their depositors' money, he can pledge the ten thousand dollars for nine thousand dollars, and thereby control the whole. Were the man like Rockefeller and Morgan, with their control of banks and banking institutions and their officials, he would obtain the use of the bank's depositors' money without using a cent of his own.

This method of enslaving the American people and the resources of their country has not been accomplished by the legitimate trading of equivalents, but by taking vast amounts for nothing, while the people have been careless about the ballot box. It is no exaggeration to state that most of this great slice of the wealth of this country, upon which the eighty millions of Americans are dependent for their livelihood and existence, has been grasped by methods no less nefarious than those of the cardsharp and the keeper of the policy shop.

The American people who are the producers of the na-

tion have been bluffed and bamboozled out of these essentials to live, and often the means used have been no better than those of the knockout-drop man in the groggery store. These methods have not created wealth or enriched mankind, but they have cornered so much energy and blood and muscle and bone. In a beehive there are so many workers producing honey. Were one of the drones to create bogus capital stock and mortgage bonds, and charge them upon the honey as real money, for itself, the transaction would not make more honey; it would not make the honey more useful, or of greater actual value. Such methods employed in human society do not create wealth, but they wrongfully corner wealth from the others, and thereby make them poorer, and lay upon them the necessity of working more and consuming less in order to make up the difference.

When a man corrals an industry, and charges it with bogus mortgage bonds and capital stock, and lays it under the necessity of obtaining higher prices and lower wages, in order to provide the yearly interest upon the mortgage bonds and the yearly dividends upon the capital stock, he does not create any enrichment of society, nor does he increase wealth, but he thereby grasps riches wrongfully from the others, and gives them nothing. When Rockefeller-Morgan created the Steel Trust, and charged it with hundreds of millions of dollars of bogus mortgage bonds, and more than a thousand million dollars of bogus capital stock, and divided the proceeds among themselves and their accomplices, they did not increase wealth, but decamped with wealth, and the American people have to make up the amount by higher prices and lower wages. When Rockefeller increased the wholesale lowest price for refined petroleum from 3 1-4 cents per gallon in 1893, to 7 1-2 cents per gallon in 1902, as stated by the wholesale price list of the United States

Treasury, he increased the price more than one hundred cents upon the dollar, but by this process he did not create wealth, but he took wealth and impoverished the people. When a seamstress is grinding in a garret with the light of her oil lamp, and she is made to pay double for her oil, to feed a bogus capital with dividends, she has less money for the necessities of life. When that family group is sitting in the cellar in darkness, because the price of oil has been doubled, that group is not only inconvenienced, but degraded, and made inferior for the use and progress of the Republic. When Rockefeller inspired the Copper Trust and enriched himself so largely, by creating one hundred and fifty-five million dollars of capital stock upon about forty million dollars' worth of copper companies, besides bluffing and bombarding the prices up and down upon the "Stock Exchange, he did not create wealth or enrich society, but he took about one hundred million dollars at one stroke from the pot of wealth of the American people, and they must scramble more and suffer more, to make it up. When Jay Gould took the Erie Railroad and made its seventeen millions of bogus capital into seventy million dollars of bogus capital, and charged it as real money, he did not create wealth, but he enriched himself, and thereby gave the American people more work to do, more denials to endure, for themselves and their descendants for ever.

A real republic has God only as its master, and in a true republic the people never can be bamboozled out of their country's resources by a few, who create bogus capital and charge it as real money. The sovereign power of the people is at stake, it is in peril, and only two things can strip the people of their rights—either the usurped power of financial brigands, or the tame and stupid indifference and carelessness of the people. It is to the people's courage and fortitude, and their intelligent use of

the ballot box, that we can only look, for the restoration of the country's resources, and for that just and equitable freedom from bogus capital by which they have been viciously enslaved.

The rectification of the crime of charging bogus capital as real money, done to the American people, is not to be settled by any disregard of private rights in property—when untainted by injustice or crime. Whenever rights in property have been obtained in exchange for actual equivalents, or industry and thrift, it would be as futile as it would be criminal, for one injustice to settle another. Anarchy was always the product of an impracticable imagination, and those Socialists who would reduce all humanity to one common level of a mechanical interest in the country's resources or wealth are as chimerical as they are unwise, and it is to be deplored that these two sections of society are, by their extremes, so often terrifying to conservative minds, who are seeking legitimate progress.

